
A BILL FOR AN ACT

RELATING TO STANDARDS OF CONDUCT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 84, Hawaii Revised Statutes, is amended
2 by adding a new section to part I to be appropriately designated
3 and to read as follows:

4 "§84- Contracts; directors; deputy directors. (a) A
5 state agency shall not enter into a contract to procure or
6 dispose of goods or services, or for construction, with any
7 business:

8 (1) That is owned or operated; or

9 (2) In which a controlling interest is held,

10 by a relative or household member of a director or deputy
11 director of a principal state department.

12 (b) As used in this section:

13 "Household member" means an individual who resides in the
14 same dwelling unit as the director or deputy director of a
15 principal state department.

16 "Principal state department" means a principal department
17 of the executive branch listed in section 26-4.



1 "Relative" means a director's or deputy director's parent,
2 grandparent, stepparent, child, grandchild, stepchild, foster
3 child, adopted child, sibling, half-sibling, stepsibling,
4 parent's sibling, first cousin, sibling's child, spouse,
5 spouse's parent, child-in-law, or sibling-in-law, or any
6 individual who has become a member of the director's or deputy
7 director's immediate family through the Hawaiian hanai custom."

8 SECTION 2. Section 84-15, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "**§84-15 Contracts.** (a) A state agency shall not enter
11 into any contract to procure or dispose of goods or services, or
12 for construction, with a legislator, an employee, or a business
13 in which a legislator or an employee has a controlling interest,
14 involving services or property of a value in excess of \$10,000
15 unless:

16 (1) The contract is awarded by competitive sealed bidding
17 pursuant to section 103D-302;

18 (2) The contract is awarded by competitive sealed proposal
19 pursuant to section 103D-303; or

20 (3) The agency posts a notice of its intent to award the
21 contract and files a copy of the notice with the state



1 ethics commission at least ten days before the
2 contract is awarded.

3 (b) A state agency shall not enter into a contract with
4 any person or business which is represented or assisted
5 personally in the matter by a person who has been an employee of
6 the agency within the preceding two years and who participated
7 while in state office or employment in the matter with which the
8 contract is directly concerned. This subsection shall not apply
9 to any contract that is awarded in accordance with subsection
10 (a) with a person or business represented or assisted by a
11 person who was a member of a task force or served as the
12 designee or representative of a task force member.

13 (c) The director or acting director of a principal state
14 department, and any deputy director of the department, shall be
15 responsible for ensuring that all contracts entered into by the
16 department comply with this section.

17 (d) Any violation of this section shall be assessed
18 against the director, acting director, or deputy director of the
19 department at the time the violation occurred."



1 SECTION 3. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

4 SECTION 4. New statutory material is underscored.

5 SECTION 5. This Act shall take effect on January 1, 2525.



Report Title:

Code of Ethics; Compliance; Contracts; Principal State Department; Directors, Acting Directors, Deputy Directors; Responsibility; Violations; Disqualification; Relatives and Household Members

Description:

Prohibits a state agency from entering into any contract to procure or dispose of goods or services, or for construction, with any business that is owned or operated, or in which a controlling interest is held, by a relative or household member of a director or deputy director of a principal state department. Requires directors, acting directors, and deputy directors of a principal state department to be responsible for ensuring that all contracts entered into by the department comply with a provision in the State's Code of Ethics governing conduct relating to contracts. Requires any violation to be assessed against the director, acting director, or deputy director of the department at the time the violation occurred. Effective 1/1/2525. (SD1)

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