

STAND. COM. REP. NO. **2315**

Honolulu, Hawaii

FEB 18 2026

RE: S.B. No. 2778
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred
S.B. No. 2778 entitled:

"A BILL FOR AN ACT RELATING TO ETHICS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require a Governor, Lieutenant Governor, member of the Legislature, department heads and their deputies, and any spouse or dependent child of a Governor, Lieutenant Governor, member of the Legislature, or department head and their deputies to place certain financial interests in a blind trust; and
- (2) Prohibit a Governor, Lieutenant Governor, member of the Legislature, department head and their deputies, and any spouse or dependent child of a Governor, Lieutenant Governor, member of the Legislature, or department head and their deputies from acquiring certain financial interests during their term of service.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii and four individuals.

Your Committee received comments on this measure from the Hawaii'i State Ethics Commission.



Your Committee finds that this measure is modeled after federal legislation known as the "Ban Congressional Stock Trading Act," which requires Members of Congress and their families to place covered investments into qualified blind trusts. Your Committee further finds that requiring certain state officials to place covered investments in blind trusts would strengthen public confidence in government decision-making and reduce the risk of actual or perceived self-dealing. This measure will promote transparency, integrity, and public trust in state government by creating a clearer separation between personal financial interests and official duties, while recognizing the need for careful implementation and coordination with existing ethics laws.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2077, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2778, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2778, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Labor and
Technology,



BRANDON J.C. ELEFANTE, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Labor and Technology
LBT

Bill / Resolution No.:* SB 2778	Committee Referral: LBT, JDC/WAM	Date: 2-11-26		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ELEFANTE, Brandon J.C. (C)	✓			
LAMOSAO, Rachele (VC)	✓			
IHARA, Jr., Les				✓
MORIWAKI, Sharon Y.	✓			
FEVELLA, Kurt	✓			
TOTAL	4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Committee Drafting Agency				

*Only one measure per Record of Votes