ACT 142

H.B. NO. 2892

A Bill for an Act Relating to the Employees' Retirement System.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 88-24, Hawaii Revised Statutes, is amended to read as follows:

"§88-24 Composition of board. The board of trustees shall consist of seven members as follows:

- (1) The director of finance of the State, ex officio;
- (2) Three members of the system, two of whom shall be general employees and one of whom shall be a teacher, to be elected by the members of the system under the rules and regulations adopted by the board governing the election to serve for terms of six years each, one of the terms to expire on January 1 of each even-numbered year; provided that, if after the close of filing of petitions for candidacy, a member is unopposed for election to a trustee position, the member shall be deemed and declared to be duly and legally elected to the position of trustee without an election; and
- (3) Three citizens of the State who are not employees, one of whom shall be a responsible officer of a bank authorized to do business within the State, or a person of similar experience, to be appointed by the governor, with the advice and consent of the senate, to serve for a term of six years each, one of the terms to expire January 1 of each odd-numbered year.

Each trustee shall serve until the trustee's successor is elected or appointed, as the case may be, and qualified. For the purpose¹ of this section, the term "general employees" includes police officers and firefighters."

SECTION 2. Section 88-29, Hawaii Revised Statutes, is amended to read as follows:

"§88-29 Officers, employers, legal adviser. The board of trustees shall elect from its membership a chairman and shall by a majority vote of all its members appoint a secretary, who may, but need not, be one of its members. It shall engage [such] actuarial and other [service] <u>services</u> as shall be required to transact the business of the system. The compensation for all services engaged by the board, and all other expenses of the board necessary for the operation of the system, shall be paid at [such] rates and in [such] amounts [as] the board shall approve.

[The attorney general shall be the legal adviser of the board.]

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The attorney general or an appointed representative may serve as legal adviser to the board of trustees or the board of trustees may select its own legal counsel."

SECTION 3. Section 103-3, Hawaii Revised Statutes, is amended to read as follows:

"§103-3 Employment of attorneys. No department of the State, other than the attorney general, shall make any expenditure of public funds for the employment or retention by contract or otherwise of any attorney for the purpose of representing the State or such department in any litigation, rendering legal counsel to the department, or drafting legal documents for the department; provided that the foregoing provision shall not apply:

- (1) To the housing finance and development corporation or the public utilities commission;
- (2) To any court or judicial or legislative officer of the State;
- (3) To the legislative reference bureau;
- (4) To such compilation commission as may be constituted from time to time;
- (5) To the real estate commission in any action involving the real estate recovery fund, the contractors license board in any action involving the contractors recovery fund, and the trustees in any action involving the travel agency recovery fund;
- (6) To the Hawaii criminal justice commission;
- (7) To grand jury counsel;
- (8) To the office of Hawaiian affairs;
- (9) To the department of commerce and consumer affairs; provided that [such] its attorney shall be responsible for the prosecution of consumer complaints;
- (10) To the employees' retirement system; or
- (11) In the event the attorney general, for reasons deemed by the attorney general good and sufficient, declines [such] representation or counsel, or approves [such] <u>a</u> department's expenditures; provided that the governor thereupon waives the provision of this section.

For the purpose of this section the term "department of the State" means any department, board, commission, agency, bureau, or officer of the State.

Every attorney employed by any department on a full-time basis, except an attorney employed by the Hawaii criminal justice commission or as a grand jury counsel, or the department of commerce and consumer affairs in prosecution of consumer complaints, shall become a deputy attorney general."

SECTION 4. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

(Approved June 15, 1990.)

1. So in original.