

ACT 243

S.B. NO. 1375

A Bill for an Act Relating to Financial Disclosure.

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

SECTION 1. The legislature finds that in 1962, Hawaii's two major newspapers were granted special permission by the federal government to operate jointly outside federal antitrust statutes. This authority to operate as a monopoly, as conferred under the Mutual Publishing Plan Agreement, was granted more than thirty years ago when the overwhelming weight of the evidence was that the state had two failing newspapers. Without the intervention of government, the state, and the public would have suffered by losing one, if not both, daily newspapers. Since 1962, there has been no review of the financial conditions of the two major daily newspapers. The legislature believes that the original justification for the monopoly granted by the public in 1962 may no longer be true.

The purpose of this Act is to:

- (1) Require the parties of the Mutual Publishing Plan Agreement to provide the attorney general with copies of income tax returns filed pursuant to section 235-4; and
- (2) Require the attorney general to share this information with the United States Department of Justice for its review.

The legislature finds that it is in the public interest to review the income tax returns of organizations granted special operating powers to carry out its responsibilities to the people of Hawaii.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

**“CHAPTER
MEDIA PUBLICATIONS DISCLOSURE ACT**

§ -1 General definitions. As used in this chapter:

“Media” means any printed publication of general distribution in the state issued once or more per year that is a party to the Mutual Publishing Plan Agreement as executed on May 31, 1962, and any subsequent amendments.

§ -2 Disclosure. (a) The media shall submit to the attorney general, no later than thirty days after December 31 of the reporting year, an income tax return filed pursuant to section 235-4.

(b) Any media filing an annual income tax return pursuant to subsection (a) shall also furnish to the attorney general, in forms and at times that the attorney general deems necessary or expedient in the interest of the general public, special or supplementary reports covering information disclosed in subsection (a).

(c) Any report submitted pursuant to subsection (a) or (b) shall be a public record for the purposes of chapter 92F.

§ -3 Annual report. The attorney general shall submit an annual report to the United States Department of Justice with regard to the information provided in section -2.”

SECTION 3. If any provision of this Act or the application thereof to any person or circumstance is held to be invalid, the invalidity shall not affect other provisions or applications of this Act which can be given effect without the invalid provisions or applications, and to this end the provisions of this Act are severable.

SECTION 4. This Act shall take effect upon its approval.

(Became law on July 6, 1995, without the Governor’s signature, pursuant to Art. III, §16, State Constitution.)