

## ACT 230

S.B. NO. 2682

A Bill for an Act Relating to Financial Disclosure Statements.

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

SECTION 1. State board and commission members are required to file annual disclosure statements with the state ethics commission. These records are generally kept confidential. Unfortunately, due to limited resources, the state ethics commission does not have the ability to search these records for potential conflicts of interest. The legislature finds that the public is in the best position to identify conflicts of interest.

The purpose of this Act is to require that the financial disclosure statements of members of certain statutorily established boards and commissions are made available for public inspection and duplication.

SECTION 2. Section 84-17, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (d) to read:
 

“(d) The financial disclosure statements of the following persons shall be public records and available for inspection and duplication:

  - (1) The governor, the lieutenant governor, the members of the legislature, candidates for and delegates to the constitutional convention, the trustees of the office of Hawaiian affairs, and candidates for state elective offices;
  - (2) The directors of the state departments and their deputies, regardless of the titles by which the foregoing persons are designated; provided that with respect to the department of the attorney general, the foregoing shall apply only to the attorney general and the first deputy attorney general;
  - (3) The administrative director of the State;
  - (4) The president, the vice presidents, the assistant vice presidents, the chancellors, members of the board of regents, and the provosts of the University of Hawaii;
  - (5) The members of the board of education and the superintendent, the deputy superintendent, the state librarian, and the deputy state librarian of the department of education;
  - (6) The administrative director and the deputy director of the courts; ~~[and]~~
  - (7) The administrator and the assistant administrator of the office of Hawaiian affairs~~[-]; and~~
  - (8) The members of the following state boards, commissions, and agencies:
    - (A) The board of directors of the agribusiness development corporation established under section 163D-3;
    - (B) The board of agriculture established under section 26-16;
    - (C) The state ethics commission established under section 84-21;
    - (D) The Hawaii community development authority established under section 206E-3;
    - (E) The Hawaiian homes commission established under the Hawaiian Homes Commission Act of 1920, as amended, and section 26-17;
    - (F) The board of directors of the Hawaii housing finance and development corporation established under section 201H-3;

- (G) The board of land and natural resources established under section 171-4;
- (H) The state land use commission established under section 205-1;
- (I) The legacy land conservation commission established under section 173A-2.4;
- (J) The natural area reserves system commission established under section 195-6;
- (K) The board of directors of the natural energy laboratory of Hawaii authority established under section 227D-2;
- (L) The board of directors of the Hawaii public housing authority established under section 356D-3;
- (M) The public utilities commission established under section 269-2; and
- (N) The commission on water resource management established under section 174C-7.”

2. By amending subsection (f) to read:

“(f) Candidates for state elective offices, including candidates for election to the constitutional convention, shall only be required to disclose their own financial interests. The disclosures of financial interests of all other persons designated in subsection (c) shall state, in addition to the financial interests of the person disclosing, the financial interests of the person’s spouse and dependent children. All disclosures shall include:

- (1) The source and amount of all income of \$1,000 or more received, for services rendered, by the person in the person’s own name or by any other person for the person’s use or benefit during the preceding calendar year and the nature of the services rendered; provided that required disclosure under this paragraph for the income source of the spouse or dependent child of a person subject to subsection (d) shall be limited to the name of the business or other qualifying source of income, and need not include the income source’s address; provided further that other information that may be privileged by law or individual items of compensation that constitute a portion of the gross income of the business or profession from which the person derives income need not be disclosed;
- (2) The amount and identity of every ownership or beneficial interest held during the disclosure period in any business having a value of \$5,000 or more or equal to ten per cent of the ownership of the business and, if the interest was transferred during the disclosure period, the date of the transfer; provided that an interest in the form of an account in a federal or state regulated financial institution, an interest in the form of a policy in a mutual insurance company, or individual items in a mutual fund or a blind trust, if the mutual fund or blind trust has been disclosed pursuant to this paragraph, need not be disclosed;
- (3) Every officership, directorship, trusteeship, or other fiduciary relationship held in a business during the disclosure period, the term of office and the annual compensation;
- (4) The name of each creditor to whom the value of \$3,000 or more was owed during the disclosure period and the original amount and amount outstanding; provided that debts arising out of retail installment transactions for the purchase of consumer goods need not be disclosed;
- (5) The street address and, if available, the tax map key number, and the value of any real property in which the person holds an interest

- whose value is \$10,000 or more, and, if the interest was transferred or obtained during the disclosure period, a statement of the amount and nature of the consideration received or paid in exchange for such interest, and the name of the person furnishing or receiving the consideration; provided that disclosure shall not be required of the street address and tax map key number of the person's residence;
- (6) The names of clients personally represented before state agencies, except in ministerial matters, for a fee or compensation during the disclosure period and the names of the state agencies involved; and
  - (7) The amount and identity of every creditor interest in an insolvent business held during the disclosure period having a value of \$5,000 or more."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Became law on July 8, 2014, without the governor's signature, pursuant to Art. III, §16, State Constitution.)