

ACT 39

H.B. NO. 2125

A Bill for an Act Relating to the State Ethics Code.

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

SECTION 1. Section 84-17, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) For the purposes of this section, ~~the terms:~~

~~“Disclosure]~~ “disclosure period” refers to the period from January 1 of the preceding calendar year to the time of the filing of the employee’s or legislator’s disclosure of financial interests.

~~[-“Substantially the same” refers to no more than ten amendments or changes to the information reported for the preceding disclosure period.]”~~

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]~~ assisted or 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."

3. By amending subsection (h) to read:

~~"(h) The state ethics commission shall provide a [long form of disclosure on all even-numbered years and a short form of disclosure for subsequent annual filings on all odd-numbered years in those instances where the financial interests of the person disclosing are substantially the same as those reported for the preceding disclosure period.] method for filing financial disclosure statements. The commission may require that financial disclosure statements be filed electronically."~~

SECTION 2. Section 353L-1, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

~~"(d) The members of the commission shall receive reimbursement for expenses, including travel expenses, that are necessary for the performance of their duties. [No member of the commission shall be made subject to the financial disclosure requirements of sections 84-13 and 84-17 solely because of that member's participation as a member of the commission.] The terms of the commissioners shall be as provided in section 26-34."~~

SECTION 3. The state ethics commission, in its discretion, may make any changes that it deems necessary to its internal procedures or forms to aid in the implementation of this Act.

SECTION 4. The reporting obligation of current members of the Hawaii correctional system oversight commission shall begin on the effective date of this Act and the initial disclosure shall follow the statutory disclosure period

from January 1 of the preceding calendar year to the time of the filing of the member's disclosure of financial interests. The initial filing shall occur within thirty days as if the member were newly appointed.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect upon its approval.

(Approved September 15, 2020.)