

ACT 75

H.B. NO. 361

A Bill for an Act Relating to Emoluments.

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

SECTION 1. The offices of the governor and county mayors are five of the most important public offices in the State. It is essential that the holders of those offices:

- (1) Devote their full time, attention, and energy to serving the people of Hawaii to the best of their abilities; and
- (2) Avoid even the appearance of a potential conflict of interest.

Part of this commitment to fulfilling their duties and maintaining public integrity involves not holding other employment or receiving other emoluments while serving as the governor or a county mayor. The legislature finds that this matter is one of statewide concern and interest and is therefore a permissible area of control reserved for the legislature.

SECTION 2. Chapter 78, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§78- County mayors; outside employment and emoluments prohibited.

(a) Beginning November 1, 2022, as of the sixty-first calendar day after election or appointment to office, it shall be unlawful for each county mayor, while holding that office, to maintain any other employment, maintain a controlling interest in a business, or receive any emolument.

(b) Where a mayor has a controlling interest in a business, in order to comply with this section, the mayor may transfer the interest to a blind trust within sixty-one days of election or appointment.

(c) As used in this section:

“Blind trust” means a trust agreement where neither the trustor nor the beneficiaries have any control or influence over, or knowledge of, the assets in the trust, and which complies with the definition of “qualified blind trust” in the Ethics in Government Act of 1978, 5 U.S.C. App. 4 section 101 et seq., as amended.

“Emolument” means any salary, fee, payment, wage, earning, allowance, stipend, honorarium, or reward; provided that “emolument” does not include the salary or benefits for service as a county mayor or any pension income; retirement income; social security payment; non-controlling ownership of stocks, mutual funds, or real estate; rental income; or other form of passive income.”

SECTION 3. Chapter 84, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§84- Governor; outside employment and emoluments prohibited. (a)

Beginning November 1, 2022, as of the sixty-first calendar day after election or appointment to office, it shall be unlawful for the governor, while holding that office, to maintain any other employment, maintain a controlling interest in a business, or receive any emolument.

(b) Where a governor has a controlling interest in a business, in order to comply with this section, the governor may transfer the interest to a blind trust within sixty-one days of election or appointment.

(c) As used in this section:

“Blind trust” means a trust agreement where neither the trustor nor the beneficiaries have any control or influence over, or knowledge of, the assets in the trust, and which complies with the definition of “qualified blind trust” in the Ethics in Government Act of 1978, 5 U.S.C. App. 4 section 101 et seq., as amended.

“Emolument” means any salary, fee, payment, wage, earning, allowance, stipend, honorarium, or reward; provided that “emolument” does not include the salary or benefits for service as the governor or any pension income; retirement income; social security payment; non-controlling ownership of stocks, mutual funds, or real estate; rental income; or other form of passive income.”

SECTION 4. Any mayor in office on November 1, 2022, shall comply with section 2 of this Act within sixty-one days.

SECTION 5. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 6. New statutory material is underscored.¹

SECTION 7. This Act shall take effect on July 1, 2020.

(Became law on September 15, 2020, without the governor's signature, pursuant to Art. III, §16, State Constitution.)

Note

1. Edited pursuant to HRS §23G-16.5.