
A BILL FOR AN ACT

RELATING TO THE STATE ETHICS CODE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to improve the
2 administration of the state ethics code by clarifying provisions
3 regarding:

- 4 (1) Gift disclosure statements;
5 (2) Retention of financial disclosure statements;
6 (3) Transcripts from contested case hearings; and
7 (4) Ethics training.

8 SECTION 2. Section 84-11.5, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "~~[f]~~ §84-11.5 ~~[+]~~ **Reporting of gifts.** (a) Every legislator
11 and employee shall file a gifts disclosure statement with the
12 state ethics commission ~~[on]~~ no later than June 30 of each year
13 if all the following conditions are met:

- 14 (1) The legislator or employee, or spouse or dependent
15 child of a legislator or employee, received directly
16 or indirectly from one source any gift or gifts valued
17 singly or in the aggregate in excess of \$200, whether



1 the gift is in the form of money, service, goods, or
2 in any other form;

3 (2) The source of the gift or gifts have interests that
4 may be affected by official action or lack of action
5 by the legislator or employee; and

6 (3) The gift is not exempted by subsection (d) from
7 reporting requirements under this subsection.

8 (b) The report shall cover the period from June 1 of the
9 preceding calendar year through [~~June 1~~] May 31 of the year of
10 the report.

11 (c) The gifts disclosure statement shall contain the
12 following information:

13 (1) A description of the gift;

14 (2) A good faith estimate of the value of the gift;

15 (3) The date the gift was received; and

16 (4) The name of the person, business entity, or
17 organization from whom, or on behalf of whom, the gift
18 was received.

19 (d) Excluded from the reporting requirements of this
20 section are the following:

21 (1) Gifts received by will or intestate succession;



- 1 (2) Gifts received by way of distribution of any inter
2 vivos or testamentary trust established by a spouse or
3 ancestor;
- 4 (3) Gifts from a spouse, fiance, fiancée, any relative
5 within four degrees of consanguinity or the spouse,
6 fiance, or fiancée of such a relative. A gift from
7 any such person is a reportable gift if the person is
8 acting as an agent or intermediary for any person not
9 covered by this paragraph;
- 10 (4) Political campaign contributions that comply with
11 state law;
- 12 (5) Anything available to or distributed to the public
13 generally without regard to the official status of the
14 recipient;
- 15 (6) Gifts that, within thirty days after receipt, are
16 returned to the giver or delivered to a public body or
17 to a bona fide educational or charitable organization
18 without the donation being claimed as a charitable
19 contribution for tax purposes; and
- 20 (7) Exchanges of approximately equal value on holidays,
21 birthday, or special occasions.



1 (e) Failure of a legislator or employee to file a gifts
2 disclosure statement as required by this section shall be a
3 violation of this chapter.

4 (f) This section shall not affect the applicability of
5 section 84-11.

6 (g) For purposes of this section, "legislator or employee"
7 includes any individual who was a legislator or employee for any
8 portion of the period from June 1 of the preceding calendar year
9 through May 31 of the year of the report."

10 SECTION 3. Section 84-17.5, Hawaii Revised Statutes, is
11 amended by amending subsection (a) to read as follows:

12 "(a) All financial disclosure statements filed by a
13 legislator, employee, or delegate to a constitutional convention
14 shall be maintained by the state ethics commission [~~during the~~
15 ~~term of office of the legislator, employee, or delegate and~~] for
16 a period of six years [~~thereafter.~~] from the date of the
17 financial disclosure statement's filing. Upon the expiration of
18 the six-year period, the financial disclosure statement and all
19 copies thereof shall be destroyed."

20 SECTION 4. Section 84-31, Hawaii Revised Statutes, is
21 amended by amending subsection (c) to read as follows:



1 "(c) If after twenty days following service of the charge
2 and further statement of alleged violation in accordance with
3 this section, a majority of the members of the commission
4 conclude that there is probable cause to believe that a
5 violation of this chapter or of the code of ethics adopted by
6 the constitutional convention has been committed, then the
7 commission shall set a time and place for a hearing, giving
8 notice to the complainant and the alleged violator. Upon the
9 commission's issuance of a notice of hearing, the charge and
10 further statement of alleged violation and the alleged
11 violator's written response thereto shall become public records.
12 The hearing shall be held within ninety days of the commission's
13 issuance of a notice of hearing. If the hearing is not held
14 within that ninety-day period, the charge and further statement
15 of alleged violation shall be dismissed; provided that any delay
16 that is at the request of, or caused by, the alleged violator
17 shall not be counted against the ninety-day period. All parties
18 shall have an opportunity to:

19 (1) [~~to be~~] Be heard[~~r~~];



1 (2) ~~[to subpoena]~~ Subpoena witnesses and require the
2 production of any books or papers relative to the
3 proceedings ~~[,]~~ i;

4 (3) ~~[to be]~~ Be represented by counsel i; and

5 (4) ~~[to have]~~ Have the right of cross-examination.

6 All hearings shall be in accordance with chapter 91. All
7 witnesses shall testify under oath and the hearings shall be
8 open to the public. The commission shall not be bound by the
9 strict rules of evidence but the commission's findings must be
10 based upon competent and substantial evidence. All testimony
11 and other evidence taken at the hearing shall be recorded.

12 ~~[Copies of transcripts of such record shall be available only to~~
13 ~~the complainant and the alleged violator at their own expense,~~
14 ~~and the fees therefor shall be deposited in the State's general~~
15 ~~fund.] "~~

16 SECTION 5. Section 84-43, Hawaii Revised Statutes, is
17 amended to read as follows:

18 " ~~[f]~~ **§84-43** ~~[f]~~ **Ethics training course.** (a) The state
19 ethics commission shall establish, design, supervise, and
20 conduct ethics training ~~[designed specifically]~~ for the officers
21 and employees to whom this part applies.



- 1 (b) The ethics training course shall include:
- 2 (1) Explanations and discussions of the ethics laws,
- 3 administrative rules, and relevant internal policies;
- 4 (2) Specific technical and legal requirements;
- 5 (3) The underlying purposes and principles of ethics laws;
- 6 (4) Examples of practical application of the laws and
- 7 principles; and
- 8 (5) A question-and-answer participatory segment regarding
- 9 common problems and situations.

10 The state ethics commission shall develop the methods and
11 prepare any materials necessary to implement the course.

- 12 (c) The state ethics commission shall:
- 13 (1) Administer the ethics training course;
- 14 (2) Designate those of its legal staff who are to conduct
- 15 the ethics training course; and
- 16 (3) Notify each officer or employee enumerated in section
- 17 84-41 that their attendance in this course is
- 18 mandatory.

19 ~~[(d) The ethics training course shall be held in January~~
20 ~~of each year for those who have not attended the course~~



1 ~~previously. The course shall last at least two hours in~~
2 ~~length.]~~

3 ~~[(e)]~~ (d) The state ethics commission may repeat the
4 course as necessary to accommodate all persons who are required
5 to attend.

6 ~~[(f)]~~ (e) Each state agency shall provide to the state
7 ethics commission the names of those required to take the course
8 in a timely manner and assist the commission by providing
9 adequate meeting facilities for the ethics training course."

10 SECTION 6. This Act does not affect rights and duties that
11 matured, penalties that were incurred, and proceedings that were
12 begun before its effective date.

13 SECTION 7. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 8. This Act shall take effect on July 1, 2019.



Report Title:

State Ethics Code; Gift Disclosure Statements; Financial Disclosure Statements; Transcripts; Ethics Training

Description:

Clarifies provisions of the State Ethics Code regarding gift disclosure statements, retention of financial disclosure statements, transcripts from contested case hearings, and ethics training. (SD1)

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