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# A BILL FOR AN ACT

RELATING TO EMOLUMENTS.

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

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

4           (1) Devote their full time, attention, and energy to  
5           serving the people of Hawaii to the best of their  
6           abilities; and

7           (2) Avoid even the appearance of a potential conflict of  
8           interest.

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

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



1           "§78-     County mayors; outside employment and emoluments  
2 prohibited.   (a) Beginning November 1, 2022, as of the sixty-  
3 first calendar day after election or appointment to office, it  
4 shall be unlawful for each county mayor, while holding that  
5 office, to maintain any other employment, maintain a controlling  
6 interest in a business, or receive any emolument.

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

11           (c) As used in this section:

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

18           "Emolument" means any salary, fee, payment, wage, earning,  
19 allowance, stipend, honorarium, or reward; provided that  
20 "emolument" does not include the salary or benefits for service  
21 as a county mayor or any pension income; retirement income;



1 social security payment; non-controlling ownership of stocks,  
2 mutual funds, or real estate; rental income; or other form of  
3 passive income."

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

7 "§84- Governor; outside employment and emoluments  
8 prohibited. (a) Beginning November 1, 2022, as of the sixty-  
9 first calendar day after election or appointment to office, it  
10 shall be unlawful for the governor, while holding that office,  
11 to maintain any other employment, maintain a controlling  
12 interest in a business, or receive any emolument.

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

17 (c) As used in this section:

18 "Blind trust" means a trust agreement where neither the  
19 trustor nor the beneficiaries have any control or influence  
20 over, or knowledge of, the assets in the trust, and which  
21 complies with the definition of "qualified blind trust" in the



1 Ethics in Government Act of 1978, 5 U.S.C. App. 4 section 101 et  
2 seq., as amended.

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

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

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

15 SECTION 6. New statutory material is underscored.

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



**Report Title:**

Governor; Mayors; Outside Employment, Controlling Interest, or Emoluments; Prohibited

**Description:**

Beginning 11/1/2022, prohibits the governor and each county mayor, while holding those offices, to maintain any other employment, maintain a controlling interest in a business, or receive any emolument, beginning on the sixty-first calendar day after their election or appointment to office. Effective 7/1/2020. (SD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

