

STAND. COM. REP. NO.

3399

Honolulu, Hawaii

MAR 03 2020

RE: H.B. No. 361
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 361, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO EMOLUMENTS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit the Governor and each county mayor, while holding those offices, from maintaining any other employment or receive any emolument, beginning on the sixty-first calendar day after their election or appointment to office; and
- (2) Specify that the Hawaii State Ethics Commission has enforcement authority over the Governor and county mayors.

Your Committee received testimony in support of this measure from the Hawai'i State Ethics Commission, Common Cause Hawaii, Pono Hawai'i Initiative, and three individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the offices of the Governor and county mayors are five of the most important public offices in the State. As such, it is essential that the holders of these offices



devote their full time and attention to their office and avoid even the appearance of a potential conflict of interest. Assured commitment to the people and integrity of office can be accomplished if these government officials do not hold any other employment or receive any other economic benefit related to their position while in office. This measure therefore prohibits the Governor and each county mayor from maintaining other employment or receiving any emoluments while serving as Governor or mayor.

Your Committee has amended this measure by:

- (1) Delaying the effective date of the prohibition to November 1, 2022;
- (2) Inserting language to prohibit the Governor and each county mayor from maintaining a controlling interest in a business while holding office;
- (3) Allowing the Governor and each county mayor to comply with the prohibition on maintaining a controlling interest in a business by transferring the controlling interest to a blind trust within sixty-one days of election or appointment;
- (4) Defining the term "blind trust";
- (5) Deleting language that would have given the Hawaii State Ethics Commission enforcement authority over the county mayors, thereby leaving enforcement to the counties;
- (6) Deleting language that would have given the Hawaii State Ethics Commission enforcement authority over the Governor, since the Commission currently has enforcement authority over ethics violations of state officers;
- (7) Providing that any mayor in office on November 1, 2022, shall comply with the prohibition within sixty-one days; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 361, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 361, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



