September 15, 2020

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Thirtieth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai‘i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Thirtieth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai‘i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on September 15, 2020, the following bill was signed into law:

HB2125 HD2 SD1 RELATING TO THE STATE ETHICS CODE.  
Act 039 (20)

Sincerely,

David Y. Ige  
Governor, State of Hawai‘i
A BILL FOR AN ACT

RELATING TO THE STATE ETHICS CODE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAI'I:

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, "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;
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;

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

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 this 15 day of SEP, 2020

GOVERNOR OF THE STATE OF HAWAII
THE SENATE OF THE STATE OF HAWAIʻI

Date: July 2, 2020
Honolulu, Hawaiʻi 96813

We hereby certify that the foregoing Bill this day passed Third Reading in the Senate of the Thirtieth Legislature of the State of Hawaiʻi, Regular Session of 2020.

[Signature]
President of the Senate

[Signature]
Clerk of the Senate
HB No. 2125, HD 2, SD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAI'I

Date: July 10, 2020
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2020.

Scott K. Saiki
Speaker
House of Representatives

Brian L. Takeshita
Chief Clerk
House of Representatives