September 15, 2020

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

Re: HB0361 HD1 SD2

Pursuant to Section 16 of Article III of the State Constitution, HB0361 HD1 SD2, entitled “A BILL FOR AN ACT RELATING TO EMOLUMENTS.” became law as Act 075 (20), Session Laws of Hawaii 2020, on September 15, 2020.

While I commend the legislature for their commitment to transparency and good governance with this bill, the constitution already prohibits the Governor from said employment and emoluments. Furthermore, county residents should determine the limitations on their mayors not the state.

For the foregoing reasons, I allowed HB0361 HD1 SD2 to become law without my signature.

Sincerely,

DAVID Y. IGE
Governor, State of Hawaii
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

(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;
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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

"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.

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

APPROVED this day of , 2020

GOVERNOR OF THE STATE OF HAWAII
THE SENATE OF THE STATE OF HAWAI‘I

Date: March 5, 2020
Honolulu, Hawai‘i 96813

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

[Signature]
President of the Senate

[Signature]
Clerk of the Senate
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