A BILL FOR AN ACT

RELATING TO FINANCIAL DISCLOSURE STATEMENTS.

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

SECTION 1. The legislature finds that various public officials are required to file annual financial disclosure statements with the state ethics commission. The public disclosure of their sources of income enhances public trust because the disclosure tends to reduce real and perceived conflicts of interest. However, the governor, lieutenant governor, members of the legislature, governor-appointed executive of each principal department, president of the University of Hawaii, superintendent of education, administrative director of the State, administrative director of the courts, and the administrator of the office of Hawaiian affairs are not required to disclose individual items of compensation that constitute a portion of their income or any specific information regarding clients, diminishing the transparency and accountability of these key individuals.

The purpose of this Act is to require the governor, lieutenant governor, members of the legislature, governor-
appointed executive of each principal department, president of
the University of Hawaii, superintendent of education,
administrative director of the State, administrative director of
the courts, and the administrator of the office of Hawaiian
affairs to disclose additional information regarding income
received from certain businesses or services.

SECTION 2. Section 84-17, Hawaii Revised Statutes, is
amended by amending subsection (f) to read as follows:

"(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];

(A) 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;

(B) 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 by persons designated in
subsection (c), except as provided in
subparagraph (C); and

(C) The governor, lieutenant governor, members of the
legislature, governor-appointed executive of each
principal department, president of the University
of Hawaii, superintendent of education,
administrative director of the State, administrative director of the courts, and the administrator of the office of Hawaiian affairs shall disclose individual items of compensation of $1,000 or more that were received from a business or service that constitute a portion of the gross income of the business or profession from which the person derives income, including:

(i) The name of the person, business entity, or organization from whom, or on behalf of whom the income was received;

(ii) The date the income was received; and

(iii) A description of services or goods rendered;

(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;

(5) 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;

(6) The names of clients personally 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

(7) 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."

SECTION 3. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.
Report Title:
Ethics; Financial Disclosure; Client Disclosure; State Executives

Description:
Requires the governor, lieutenant governor, members of the legislature, governor-appointed executive of each principal department, president of the University of Hawaii, superintendent of education, administrative director of the State, administrative director of the courts, and the administrator of the office of Hawaiian affairs to disclose any income of $1,000 or more received from a business or service, the name of the person or business from whom the income was received, date the income was received, and a description of the services or goods rendered. (SD1)

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