

STAND. COM. REP. NO.

2595

Honolulu, Hawaii

FEB 28 2014

RE: S.B. No. 2682
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 2682 entitled:

"A BILL FOR AN ACT RELATING TO FINANCIAL DISCLOSURE
STATEMENTS, "

begs leave to report as follows:

The purpose and intent of this measure is to require public disclosure of financial disclosure statements filed by paid state board or commission members who have original terms of office for a period exceeding one year, have functions that are not solely advisory, and serve on boards or commissions that are authorized to approve contracts or expenditures valued at more than \$1,000,000.

Your Committee received testimony in opposition to this measure from the Hawaii State Ethics Commission. The Hawaii Strategic Development Corporation and Public Utilities Commission submitted comments.

Your Committee finds that this measure increases public disclosure to identify conflicts of interest. The Hawaii State Ethics Commission testified that there are approximately one thousand eight hundred state employees and members of state boards and commissions that are required to file annual financial disclosure statements with the Commission. Of this total, approximately one hundred eighty employees' disclosure statements are required to be made available for public inspection and duplication. Due to the sheer volume of these filings, the

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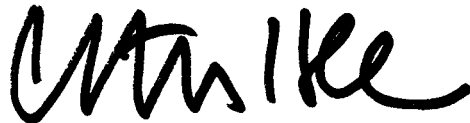
Commission testified that its ability to identify potential conflicts of interest is limited. As a result, members of the public, especially those who are involved with and may be impacted by a board or commission member's action, are best able to identify and raise concerns about possible conflicts of interest.

Your Committee recognizes the concerns raised by the Hawaii State Ethics Commission that the language in this measure is unclear. The Commission testified that it is unsure as to which boards are intended to be captured by this measure because there are only three state boards and commissions whose members are paid. Furthermore, the Commission was unaware as to which, if any, of these boards or commissions are authorized to expend \$1,000,000 or more. As a result, the Commission recommended that this measure specifically identify the boards or commissions by title.

Accordingly, your Committee has amended this measure by requiring the financial disclosure statements of the commissioners of the Public Utilities Commission to be made available for public inspection and duplication.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2682, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2682, S.D. 1, and be placed on the calendar for Third Reading.

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



CLAYTON HEE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2682	JDL	2/7/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile S.L. (VC)	✓			
GABBARD, Mike	✓			
GALUTERIA, Brickwood	✓			
IHARA, Jr., Les	✓			
SOLOMON, Malama	✓			
SLOM, Sam				✓
TOTAL	6			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes