

STAND. COM. REP. NO. 1363
Honolulu, Hawaii

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

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii
Sir:

Your Committee on Government Operations, to which was referred H.B. No. 361, H.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 prohibit the Governor or any county mayor, while holding those offices, to maintain any other employment or receive any emolument, beginning on the sixty-first calendar day after their election or appointment to office.

Your Committee received testimony in support of this measure from the Common Cause Hawaii, Honolulu County Republican Party, and three individuals. Your Committee received comments on this measure from the Hawaii State Ethics Commission.

Your Committee finds that 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 devote their full time, attention, and energy to serving the State and avoid even the appearance of a potential conflict of interest.

Part of this commitment involves not holding other employment or receiving emoluments while serving as the Governor or a county Mayor.

Your Committee notes that this measure is necessary because the proposed prohibition on emoluments is broader in scope than the existing statutory prohibition for the Governor. Therefore, this measure would address citizens' concerns of potential conflicts of interest when the Governor is receiving remunerations from being on a board. This measure prohibits the Governor and county Mayors from holding other employment and receiving emoluments while in office, which prevents any semblance of impropriety or a conflict of interest, maintains fiscal integrity, and promotes public trust in government officials.

Your Committee respectfully requests your Committee on Judiciary to assess the appropriate chapter within the Hawaii Revised Statutes to place restrictions on county officials, as it appears that there are no comparable state statutory standards as that which exist for the Governor in chapter 84, Hawaii Revised Statutes. Your Committee also respectfully requests your Senate Committee on Judiciary determine if the Attorney General should have concurrent enforcement authority over the Governor and county officials, and whether this measure should include language authorizing a blind trust or similar process used at the federal level for financial entities, such as ownership or partnership managing a private business.

Your Committee has amended this measure by:

(1) Moving the provision prohibiting the Governor, while in office, from maintaining other employment or receiving any emolument to Chapter 84, Hawaii Revised Statutes;

(2) Specifying that the Hawaii State Ethics Commission shall have enforcement authority over the prohibition against outside employment and emoluments for the Governor;

(3) Specifying that the respective county boards and commissions shall have enforcement authority over the prohibition against outside employment and emoluments for each county Mayors; and

(4) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

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

Respectfully submitted on behalf of the members of the Committee on
Government Operations,

LAURA H. THIELEN, Chair

