



A BILL FOR AN ORDINANCE

RELATING TO FINANCIAL DISCLOSURES.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to amend the City's financial disclosure requirements to align the City's disclosure requirements with the State's financial disclosure provision, Section 84-17(f)(5), Hawaii Revised Statutes, bringing the financial disclosures with the reporting requirements for public officials under Article XIV of the Hawaii State Constitution and recognize the legitimate privacy interests of City officers and employees.

SECTION 2. Section 3-8.4, Revised Ordinances of Honolulu 1990, is amended to read as follows:

"Sec. 3-8.4 Financial disclosures.

(a) Definitions. The following words used in this section shall have the respective meanings in this subsection:

"Business" includes a corporation, a partnership, a sole proprietorship, a trust or foundation, or other individual organization carrying on a business, whether or not operated for profit.

"Candidate" has the meaning given it by HRS Section 11-191.

"Elective" means all elective offices of the City and County of Honolulu.

"Employee" means all full-time employees of the executive and legislative branches of the City and County of Honolulu and all full-time employees of the board of water supply and the Honolulu Authority for Rapid Transportation who are exempt from civil service pursuant to Revised Charter Sections 6-1103 and 6-1104, but excluding all persons hired under the Comprehensive Employment and Training Act and under Revised Charter Section 6-1103(e), (f), (g), and (h).

"Income" means gross income as defined by Section 61 of the Internal Revenue Code of 1954.

"Officer" has the same meaning as in Section 13-101.4 of the revised charter and shall include officers of the board of water supply and the Honolulu Authority for Rapid Transportation.



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- (b) Filing of Financial Disclosures.
- (1) Candidates to Office. Any candidate for nomination or elective office for the City and County of Honolulu shall file within 10 working days after the deadline for filing as a candidate for office, a financial disclosure as provided herein.
 - (2) (A) Officers. Any officer of the executive or legislative branch shall file a financial disclosure as prescribed herein within 20 working days after taking the oath of office and annually thereafter on or before January 31st of each year until the end of the term of office.

(B) If an officer is reelected or reappointed for a new term, the foregoing prescription of filing financial disclosures shall be observed.
 - (3) Employees. Employees of the executive or legislative branches shall file financial disclosures as prescribed herein within 20 working days after the effective date of this section and file financial disclosures annually thereafter on or before January 31st of each year.
- (c) The disclosure of financial interests shall state, in addition to the financial interests of the person disclosing, the financial interests of the person's spouse and dependent children, and shall include:
- (1) The source and amount of all income of \$1,000.00 or more received, for services rendered, by the person in such person's own name or by any other person for such person's use or benefit during the preceding calendar year and the nature of the services rendered; provided, that 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 name of each creditor to whom the value of \$3,000.00 or more was owed during the preceding calendar year 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.
 - (3) The amount and identity of every ownership or beneficial interests held during the disclosure period in any business incorporated, regulated, or licensed to carry on business in the state having a value of \$5,000.00 or



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more or equal to 10 percent of the ownership of the business and, if the interest was transferred during the preceding calendar year, 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.

- (4) Every officership, directorship, trusteeship or other fiduciary relationship held in a business during the preceding calendar year, the term of office and the annual compensation.
 - (5) The [tax map key number and] street address, if any, the tax map key number, if any, and the value of any real property in the City and County of Honolulu in which the person holds an interest whose value is \$10,000.00 or more, and if the interest was transferred or obtained during the preceding calendar year, 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 public disclosure shall not be required of the street address and tax map key number of the person's residence.
 - (6) The amount and identity of every creditor interest in an insolvent business held during the preceding calendar year having a value of \$5,000.00 or more.
 - (7) The names of clients personally represented before city agencies, except in ministerial matters, for a fee or compensation during the preceding calendar year and the names of the city agencies involved.
- (d) Filing Requirements.
- (1) All public financial disclosures shall be filed with the office of the city clerk and a copy shall be transmitted by that office to the ethics commission. All confidential disclosures shall be filed with the city ethics commission.
 - (2) The form for all public financial disclosures shall be as prescribed by the city clerk[.]; provided that the person's residence address, including tax map key number, is disclosed on a separate form for "internal use only" and shall not be publicly disclosed by the city clerk or city ethics commission. The forms for confidential disclosures shall be as prescribed by the city ethics commission.



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- (3) When leaving office or employment with the city. Any officer or employee of the city shall file a financial disclosure as prescribed herein 10 working days before an officer is to leave such person's office or an employee is to terminate such person's employment with the city. This requirement will also include transfer of an officer or employee from the city to either the state or federal governments.
- (e) The financial disclosure statements of the following persons shall be public record and may be opened for inspection by the public during office hours of the city clerk:
- (1) All candidates for elective office;
 - (2) All elected officers;
 - (3) The directors of the city agencies and their first deputies.

All other financial disclosure statements required to be filed under this section shall be confidential.

- (f) Penalty.
- (1) Officers and Employees.
 - (A) Late Filing. Any officer or employee of the city whose required financial disclosure is not received by the ethics commission or the city clerk, whichever is applicable, by the close of business on the deadline date specified in subsection (b), shall be given a notice of violation of the provisions of this section by the ethics commission or the city clerk, whichever is applicable. The notice shall state that the city officer or employee has 10 days from receipt of the notice in which to file the required financial disclosure or be subject to the penalties provided in this paragraph and Section 3-8.5. Any city officer or employee, who has received this notice and fails to file the required disclosure within 10 days of receipt of the notice, shall be subject to a civil fine according to the following schedule: \$100.00 for the first late filing; \$200.00 for the second late filing; and thereafter, for each additional late filing, the fine imposed for the previous late filing plus \$200.00. Any penalty or fine shall be imposed after an opportunity for a hearing conducted by the ethics commission under HRS Chapter 91.



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- (B) Failure to File. Any officer or employee of the city who fails to file a financial disclosure as required in this section within 30 days from receipt of the notice of violation referred to in paragraph (A), shall, in addition to any civil fines imposed under paragraph (A), be subject to:
- (i) The provisions of Section 3 8.5 relating to noncompliance; or
 - (ii) A criminal penalty of a fine of not more than \$2,000.00 or of imprisonment for not more than one year, or of both such fine and imprisonment,
- or to both (i) and (ii).
- (2) Candidates.
- (A) Late Filing. Any candidate whose required financial disclosure is not received by the city clerk by the close of business on the deadline date specified in subsection (b), shall be given a notice of violation of the provisions of this section by the city clerk. The notice shall state that the candidate has 10 days from receipt of the notice in which to file the required financial disclosures or be subject to the penalties provided in this paragraph. Any candidate, who has received this notice and fails to file the required disclosure within 10 days of receipt of the notice, shall, upon election to office, be subject to the provisions of Section 3-8.5 and a civil fine according to the following schedule: \$100.00 for the first late filing; \$200.00 for the second late filing; and thereafter, for each additional late filing, the fine imposed for the previous late filing plus \$200.00. Any penalty or fine shall be imposed after an opportunity for a hearing conducted by the ethics commission under HRS Chapter 91.
- (B) Failure to File. Any candidate who fails to file a financial disclosure as required in this section within 30 days from receipt of the notice of violation referred to in paragraph (A), shall, in addition to any civil fines imposed under paragraph (A), be subject to a criminal penalty of a fine of not more than \$2,000.00 or of imprisonment for not more than one year, or of both such fine and imprisonment.
- (3) Rules. The ethics commission shall have the authority to establish rules to implement subdivisions (1) and (2)."



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SECTION 3. Ordinance material to be repealed is bracketed. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the revisor of ordinances need not include the brackets, the bracketed material, or the underscoring.

SECTION 4. This ordinance shall take effect upon its approval.

INTRODUCED BY:

Shirley L. Paine
M. L.

NOV 11 2013 2:23 PM

DATE OF INTRODUCTION:

NOV 6 2013

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deane T. Kawana

Deputy Corporation Counsel

APPROVED this 10th day of February, 2014.

Kirk Caldwell

KIRK CALDWELL, Mayor
City and County of Honolulu

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
CERTIFICATE

ORDINANCE 14-1

BILL 65 (2013)

Introduced: 11/06/13 By: KYMBERLY PINE

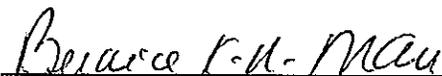
Committee: EXECUTIVE
MATTERS AND LEGAL
AFFAIRS

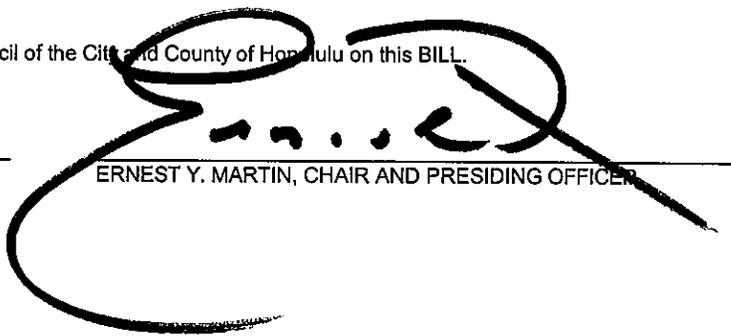
Title: A BILL FOR AN ORDINANCE RELATING TO FINANCIAL DISCLOSURES.

Voting Legend: * = Aye w/Reservations

11/13/13	COUNCIL	BILL PASSED FIRST READING AND REFERRED TO COMMITTEE ON EXECUTIVE MATTERS AND LEGAL AFFAIRS. 5 AYES: FUKUNAGA, HARIMOTO, KOBAYASHI, MANAHAN, MARTIN. 4 ABSENT: ANDERSON, CHANG, MENOR, PINE.
11/19/13	EXECUTIVE MATTERS AND LEGAL AFFAIRS	CR-363 – BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON SECOND READING AND SCHEDULING OF A PUBLIC HEARING.
11/30/13	PUBLISH	PUBLIC HEARING NOTICE PUBLISHED IN THE HONOLULU STAR-ADVERTISER.
12/11/13	COUNCIL/PUBLIC HEARING	CR-363 ADOPTED. BILL PASSED SECOND READING, PUBLIC HEARING CLOSED AND REFERRED TO COMMITTEE ON EXECUTIVE MATTERS AND LEGAL AFFAIRS. 9 AYES: ANDERSON, CHANG, FUKUNAGA, HARIMOTO, KOBAYASHI, MANAHAN, MARTIN, MENOR, PINE.
12/18/13	PUBLISH	SECOND READING NOTICE PUBLISHED IN THE HONOLULU STAR-ADVERTISER.
01/14/14	EXECUTIVE MATTERS AND LEGAL AFFAIRS	CR-6 (14) – BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON THIRD READING.
01/29/14	COUNCIL	CR-6(14) ADOPTED AND BILL 65 (2013) PASSED THIRD READING. 9 AYES: ANDERSON, CHANG, FUKUNAGA, HARIMOTO, KOBAYASHI, MANAHAN, MARTIN, MENOR, PINE.

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this BILL.


BERNICE K. N. MAU, CITY CLERK


ERNEST Y. MARTIN, CHAIR AND PRESIDING OFFICER