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COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

May 3, 2018

Mr. Matthew Macario, Chair
Board of Ethics
Department of the Corporation Counsel

Dear Mr. Macario:

SUBJECT: FISCAL YEAR 2019 BUDGET (BF-1) (CC-26)

The purpose of this letter is to request an advisory opinion pursuant to Section 04-101-52, Rules of the Maui County Board of Ethics. This request is being made on behalf of the Budget and Finance Committee of the Maui County Council.

At its meeting of April 27, 2018, the Budget and Finance Committee recommended the gasoline & diesel oil tax be increased by \$0.005, for a total amount of \$0.235 per gallon, pending a public hearing to be held on May 11, 2018. The motion to increase the tax was made by a Councilmember who is the Vice-President and a Director of Pacific Biodiesel, Inc.

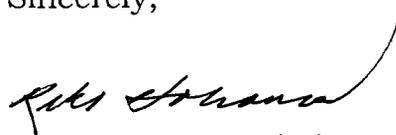
According to the State Department of Commerce & Consumer Affairs' Business Registration Division, Pacific Biodiesel's purpose is renewable fuel production. According to the Pacific Biodiesel website, the company was founded in 1995 and is the only commercial producer of liquid biofuels in Hawaii. Its mission is to promote a clean, sustainable energy future through the community-based production of renewable fuels.

Section 10-4(1)(c) of the Revised Charter of the County of Maui (1983), as amended, states, "No officer or employee of the county shall: . . . Engage in any business transaction or activity or have a financial interest, direct or indirect, which is incompatible with the proper discharge of the officer's or employee's official duties or which may tend to impair the officer's or employee's independence of judgment in the performance of the officer's or employee's official duties."

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Diesel fuel is in direct competition with biodiesel fuel. Was there a violation of the Code of Ethics when the Councilmember made a motion and voted on the proposed diesel tax increase?

Sincerely,

A handwritten signature in black ink, appearing to read "Riki Hokama", with a long, sweeping flourish extending upwards and to the right.

RIKI HOKAMA, Chair
Budget and Finance Committee

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