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# A BILL FOR AN ACT

RELATING TO FINES FOR VIOLATION OF THE STATE ETHICS CODE OR  
RULES ADOPTED UNDER IT.

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

1           SECTION 1. The legislature finds that the state ethics  
2 commission was established in January 1968 to promote and  
3 enforce high standards of ethical conduct in state government  
4 and to preserve public confidence in public servants. The  
5 commission's responsibilities are to:

- 6           (1) Administer and enforce standards of conduct provisions  
7 of the state ethics code relating to matters such as  
8 conflicts of interests, misuse of confidential  
9 information, acceptance and reporting of gifts, misuse  
10 of official position, misuse of state resources,  
11 representation of clients before state and county  
12 agencies, and post-employment restrictions;
- 13           (2) Administer and enforce the financial disclosure  
14 requirements of the state ethics code for state  
15 officials, employees, board and commission members,  
16 and candidates for state elective office; and
- 17           (3) Administer and enforce the state lobbyists law.



1           The legislature finds that while the department of the  
2 attorney general or the county prosecuting attorneys handles  
3 civil or criminal violations of the state ethics code and state  
4 lobbyists law, the ethics commission has limited enforcement  
5 capabilities.

6           The purpose of this Act is to maintain high standards of  
7 ethical conduct and further discourage behaviors that erode  
8 public confidence in government by increasing fines for  
9 violations of laws or rules that fall within the jurisdiction of  
10 the ethics commission.

11           SECTION 2. Chapter 84, Hawaii Revised Statutes, is amended  
12 by adding a new section to be appropriately designated and to  
13 read as follows:

14           "§84-     Penalty. The ethics commission shall fine any  
15 person who violates this chapter or any rule adopted under it  
16 not more than \$5,000 for each violation."

17           SECTION 3. Section 84-31, Hawaii Revised Statutes, is  
18 amended by amending subsection (a) to read as follows:

19           "(a) The ethics commission shall have the following powers  
20 and duties:

21           (1) It shall prescribe forms for the disclosures required  
22                by Article XIV of the Hawaii Constitution and section



1           84-17 and the gifts disclosure statements required by  
2           section 84-11.5 and shall establish orderly procedures  
3           for implementing the requirements of those provisions;  
4       (2) It shall render advisory opinions upon the request of  
5           any legislator, employee, or delegate to the  
6           constitutional convention, or person formerly holding  
7           such office or employment as to whether the facts and  
8           circumstances of a particular case constitute or will  
9           constitute a violation of the code of ethics. If no  
10          advisory opinion is rendered within thirty days after  
11          the request is filed with the commission, it shall be  
12          deemed that an advisory opinion was rendered and that  
13          the facts and circumstances of that particular case do  
14          not constitute a violation of the code of ethics. The  
15          opinion rendered or deemed rendered, until amended or  
16          revoked, shall be binding on the commission in any  
17          subsequent charges concerning the legislator,  
18          employee, or delegate to the constitutional  
19          convention, or person formerly holding such office or  
20          employment, who sought the opinion and acted in  
21          reliance on it in good faith, unless material facts



1           were omitted or misstated by such persons in the  
2           request for an advisory opinion;

3           (3) It shall initiate, receive, and consider charges  
4           concerning alleged violation of this chapter, initiate  
5           or make investigation, and hold hearings;

6           (4) It may subpoena witnesses, administer oaths, and take  
7           testimony relating to matters before the commission  
8           and require the production for examination of any  
9           books or papers relative to any matter under  
10          investigation or in question before the commission.  
11          Before the commission shall exercise any of the powers  
12          authorized in this section with respect to any  
13          investigation or hearings it shall by formal  
14          resolution, supported by a vote of three or more  
15          members of the commission, define the nature and scope  
16          of its inquiry;

17          (5) It may, from time to time adopt, amend, and repeal any  
18          rules, not inconsistent with this chapter, that in the  
19          judgment of the commission seem appropriate for the  
20          carrying out of this chapter and for the efficient  
21          administration thereof, including every matter or  
22          thing required to be done or which may be done with



1 the approval or consent or by order or under the  
2 direction or supervision of or as prescribed by the  
3 commission. The rules, when adopted as provided in  
4 chapter 91, shall have the force and effect of law;

5 (6) It shall have jurisdiction for purposes of  
6 investigation and taking appropriate action on alleged  
7 violations of this chapter, including the imposition  
8 of fines pursuant to section 84- , in all  
9 proceedings commenced within six years of an alleged  
10 violation of this chapter by a legislator or employee  
11 or former legislator or employee. A proceeding shall  
12 be deemed commenced by the filing of a charge with the  
13 commission or by the signing of a charge by three or  
14 more members of the commission. Nothing herein shall  
15 bar proceedings against a person who by fraud or other  
16 device, prevents discovery of a violation of this  
17 chapter;

18 (7) It shall distribute its publications without cost to  
19 the public and shall initiate and maintain programs  
20 with the purpose of educating the citizenry and all  
21 legislators, delegates to the constitutional



1 convention, and employees on matters of ethics in  
2 government employment; and

3 (8) It shall administer any code of ethics adopted by a  
4 state constitutional convention, subject to the  
5 procedural requirements of this part and any rules  
6 adopted thereunder."

7 SECTION 4. This Act does not affect rights and duties that  
8 matured, penalties that were incurred, and proceedings that were  
9 begun, before its effective date.

10 SECTION 5. New statutory material is underscored.

11 SECTION 6. This Act shall take effect upon its approval.

12

INTRODUCED BY: 

By Request



SB 2450

**Report Title:**

State Ethics Code; Violations; Fines

**Description:**

Authorizes the state ethics commission to assess a fine of up to \$5,000 for any violation of the State Ethics Code or rules adopted under it.

