
A BILL FOR AN ACT

RELATING TO ETHICS.

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

1 SECTION 1. The legislature finds that the current maximum
2 penalty that the state ethics commission may impose for a
3 violation of the ethics code is \$500 per violation. This
4 penalty has not been adjusted since being set by the legislature
5 in 1992. Adjusted for inflation, an equivalent penalty would be
6 approximately \$857 in 2016 dollars. The legislature believes
7 that the current statutory penalty should be increased to
8 \$1,000. Similarly, the maximum penalty for violating chapter
9 97, Hawaii Revised Statutes, regulating lobbyists has remained
10 at \$500 since 1995. The legislature believes that this fine
11 should also be increased to \$1,000 to account for inflation.

12 The legislature further finds that the failure to file a
13 report required by chapter 97, Hawaii Revised Statutes, is no
14 longer a criminal offense. Thus, the legislature believes that
15 the mens rea requirement to prove a violation of chapter 97,
16 Hawaii Revised Statutes, should be removed.

17 The purpose of this Act is to:



- 1 (1) Increase the maximum penalties that the state ethics
- 2 commission may impose to account for inflation;
- 3 (2) Clarify the ethics code's language regarding the
- 4 assessment of fines in the context of a settlement
- 5 agreement;
- 6 (3) Remove statutory remnants from when violations of the
- 7 lobbyist law were criminal offenses; and
- 8 (4) Increase the maximum penalties for violating the
- 9 lobbyist law.

10 SECTION 2. Section 84-39, Hawaii Revised Statutes, is
 11 amended to read as follows:

12 "~~§~~84-39~~§~~ Administrative fines. (a) Where an
 13 administrative fine has not been established for a violation of
 14 a provision of this chapter, any person, including a legislator
 15 or employee, who violates a provision of this chapter shall be
 16 subject to an administrative fine imposed by the ethics
 17 commission that shall not exceed ~~[\$500]~~ \$1,000 for each
 18 violation. All fines collected under this section shall be
 19 deposited in the general fund.

20 (b) No fine shall be assessed under this section unless:



1 (1) The commission convenes a hearing in accordance with
2 section 84-31(c) and chapter 91[+] and

3 [~~2~~] A] a decision has been rendered by the commission[+];
4 or

5 (2) The commission and respondent agree to resolve any
6 charge of an alleged violation prior to completion of
7 the contested case process and the resolution includes
8 payment of an administrative fine or restitution, or
9 both."

10 SECTION 3. Section 97-7, Hawaii Revised Statutes, is
11 amended by amending subsection (a) to read as follows:

12 "(a) Any person who:

13 (1) [~~Wilfully fails~~] Fails to file any statement or report
14 required by this chapter;

15 (2) [~~Wilfully files~~] Files a statement or report
16 containing false information or material omission of
17 any fact;

18 (3) Engages in activities prohibited by section 97-5; or

19 (4) Fails to provide information required by section 97-2
20 or 97-3;



1 shall be subject to an administrative fine imposed by the
2 commission that shall not exceed [~~\$500~~] \$1,000 for each
3 violation of this chapter. All fines collected under this
4 section shall be deposited into the general fund."

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

8 SECTION 5. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 6. This Act shall take effect on July 1, 2050.



Report Title:

Government; Ethics; Lobbyists

Description:

Increases administrative fines for ethics violations and for violations of the lobbyist law. Clarifies the assessment of fines in the context of a settlement agreement. Removes the intent of the respondent as an element of civil violations for chapter 97, HRS. (HB508 HD1)

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