STAND. COM. REP. NO. 1293

Honolulu, Hawaii

APR 0 4 2017

RE: H.B. No. 508

H.D. 1 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred H.B. No. 508, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ETHICS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the maximum administrative fine that may be imposed by the State Ethics Commission from \$500 to \$1,000 for a violation of the Code of Ethics under chapter 84, Hawaii Revised Statutes;
- (2) Clarify that the administrative fine imposed for a violation of the Code of Ethics shall not be assessed unless the State Ethics Commission convenes a hearing and renders a decision, or the Commission and respondent agree to resolve any charge of an alleged violation prior to completion of the contested case process and the resolution includes payment of an administrative fine or restitution, or both; and
- (3) Remove the mens rea element for violations of the lobbying laws under chapter 97, Hawaii Revised Statutes, and increasing the maximum administrative fee that may

be imposed by the State Ethics Commission from \$500 to \$1,000 for each violation.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission, Common Cause Hawaii, and League of Women Voters of Hawaii. Your Committee received comments on this measure from the Hawaii Alliance of Nonprofit Organizations.

Your Committee finds that this measure updates and streamlines the administration and enforcement of the Code of Ethics and lobbying laws by increasing the administrative penalties that may be imposed for violations of the ethics code or lobbying laws and authorizing the State Ethics Commission to settle cases involving an ethics code violation.

Your Committee has amended this measure by:

- (1) Deleting the preamble section;
- (2) Deleting language that would have removed the mens rea element of and increased the maximum administrative fee that may be imposed by the State Ethics Commission for a violation of the lobbying law under chapter 97, Hawaii Revised Statutes;
- (3) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 508, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 508, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Judiciary and Labor,

GILBERT S.C. KEITH-AGARAN, Chair

The Senate Twenty-Ninth Legislature State of Hawai'i

Record of Votes Committee on Judiciary and Labor JDL

Bill / Resolution No.:* HB908, HDI	Committee Referral:		Da	3/17/17	
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)					
RHOADS, Karl (VC)					
GABBARD, Mike					
KIM, Donna Mercado		<u> </u>			
THIELEN, Laura H.					
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TOTAL		4	0	0	
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature: Lal Model					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

^{*}Only one measure per Record of Votes