

Honolulu, Hawaii

APR 04 2017

RE: H.B. No. 852
H.D. 2
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. 852, H.D. 2, 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 administrative fine from \$50 to \$75 for a legislator, delegate to the constitutional convention, or employee who fails to file a disclosure of financial interests when due;
- (2) Require the State Ethics Commission to release to the public a list of all legislators, delegates to the constitutional convention, or employees who fail to file a disclosure of financial interests when due;
- (3) Require the State Ethics Commission to notify a legislator, delegate to the constitutional convention, or employee of the failure to file a disclosure of financial interests when due by in-person service, electronic mail to the person's state electronic mail address, or first class mail, rather than by registered mail, return receipt requested; and



- (4) Increase the late filing penalty fee from \$25 to \$50 against a candidate seeking a state elective office who fails to file a financial disclosure statement when due.

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 finds that existing law requires the State Ethics Commission to notify, by registered mail, return receipt requested, certain individuals who fail to file their financial disclosure statements. According to written testimony submitted by the State Ethics Commission, in 2016, the Commission paid \$14.87 in postage for each late filing notice. This measure provides cost savings for the State Ethics Commission by allowing the Commission to notify certain individuals who fail to file their financial disclosure statements by in-person service, electronic mail to the person's state electronic mail address, or first class mail, rather than by the costly registered mail, return receipt requested, method.

Your Committee further finds that by increasing the fines imposed on and publicly releasing the names of certain individuals who fail to file their financial disclosure statements by the deadlines required by law, this measure provides a stronger incentive for these individuals to file their financial disclosure statements on time.

Your Committee has amended this measure by:

- (1) Deleting the preamble section;
- (2) Allowing, rather than requiring, the State Ethics Commission to post on its website for public inspection, rather than release to the public, the names of the legislators, delegates to the constitutional convention, or certain employees who fail to file their financial disclosure statements by the statutory deadline;
- (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. 852, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 852, H.D. 2, 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



