

HB 852, HD2

RELATING TO ETHICS

Increases fines for failures to timely file financial disclosure statements. Allows the State Ethics Commission to use in person service, electronic mail, or first-class mail to notify those individuals who fail to timely file their financial disclosure statements. Directs the Commission to publish the names of legislators, delegates to the constitutional convention, or certain employees who fail to file their financial disclosure statements by the statutory deadline. (HB852 HD2)



HAWAII STATE ETHICS COMMISSION

State of Hawaii • Bishop Square, 1001 Bishop Street, ASB Tower 970 • Honolulu, Hawaii 96813

Committee: Committee on Judiciary and Labor
Bill Number: H.B. 852, HD2, Relating to Ethics
Hearing Date/Time: March 17, 2017, 9:00 p.m.
Re: Testimony of the Hawaii State Ethics Commission in **SUPPORT**
of H.B. 852, HD2

Dear Chair Keith-Agaran and Committee Members:

The Hawaii State Ethics Commission (“Commission”) **supports** H.B. 852, HD2, which amends a section of the Ethics Code relating to the late filing of financial disclosures.

In short, this measure removes the requirement that the Ethics Commission send fine notices by “registered mail, return receipt requested”; increases the fines for those who miss the filing deadline; and requires publication of a list of those who fail to file their financial disclosures on time.

1. Postage costs

Currently, HRS § 84-17 requires the Commission to impose a fine of \$50 for individuals who fail to file their financial disclosures by the May 31 deadline. However, HRS § 84-17 also requires that the Commission send notices of those fines by “registered mail, return receipt requested. In 2016, for each of these fine notices, the Commission paid \$14.87 in postage. In 2016, more than 300 individuals failed to file their financial disclosures on time; Commission staff convinced many of those individuals to file the statements (late) through e-mail and phone calls, but the Commission still spent approximately \$1,000 to mail dozens of letters as required by statute. The Commission believes that it can send these notices via e-mail, first-class U.S. mail, or in person and achieve the same result at a substantially reduced cost, and respectfully requests a statutory amendment to do so.

2. Fines for failure to file; published list of late filers

The current fines for failure to file a financial disclosure (\$50) and candidate financial disclosure (\$25) were last set in 1995. The Commission respectfully requests that the fines be increased to \$75 and \$50, respectively, to account for inflation.

The Commission also believes that publishing a list of those who fail to file their disclosures on time will help to incentivize state officials to complete their filings on time. As such, the Commission respectfully requests an amendment to HRS § 84-17 to require publication of a list of late filers.

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Thank you for your continuing support of the Commission's work and for considering the Commission's testimony on H.B. 852, HD2.

Very truly yours,

Daniel Gluck
Executive Director and General Counsel



Senate Judiciary and Labor Committee
Chair Gilbert Keith-Agaran, Vice Chair Karl Rhoads

03/17/2017 9:00 AM Room 016
HB852 HD2 – Relating to Ethics

TESTIMONY / SUPPORT
Corie Tanida, Executive Director, Common Cause Hawaii

Dear Chair Keith-Agaran, Vice Chair Rhoads, and members of the committee:

Common Cause Hawaii supports HB852 HD2 which increases fines for the failure to timely file financial disclosure statements and allows the State Ethics Commission to notify those violators by email or first class mail and publish violators' names.

We believe that increasing the fine accounts for inflation, and that allowing the Ethics Commission to notify those who fail to file their disclosure by email, first class mail, or in person, instead of registered mail takes into account changes in the way we receive information and will likely lead to savings by state. Publishing a list of those who fail to file their disclosures on time increases transparency and provides the public with valuable information.

Thank you for the opportunity to offer testimony **supporting HB852 HD2**.



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SENATE COMMITTEE ON JUDICIARY AND LABOR

Friday, March 17, 2017, 9 AM, Conference Room 016
HB 852, HD 2 RELATING TO ETHICS

TESTIMONY

Douglas Meller, Legislative Committee, League of Women Voters of Hawaii

Chair Keith-Agaran and Committee Members:

The League of Women Voters of Hawaii supports HB 852, HD 2 which requires public “shaming”, allows email and first class mail notification, and increases fines for failure to file timely financial disclosure statements.

Thank you for the opportunity to submit testimony.