

HB 852

RELATING TO ETHICS

LAB, JUD

HB852



Submit Testimony

Measure Title: RELATING TO ETHICS.

Report Title: State Ethics Commission; Financial Disclosure Statements; Fines

Description: Increases fines for failures to timely file financial disclosure statements. Allows the state ethics commission to use e-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 individuals who fail to file their financial disclosure statements by the statutory deadline.

Companion:

Package: None

Current Referral: LAB, JUD

Introducer(s): NISHIMOTO

<u>Sort by Date</u>		Status Text
1/23/2017	H	Pending introduction.
1/25/2017	H	Pass First Reading
1/27/2017	H	Referred to LAB, JUD, referral sheet 4
2/3/2017	H	Bill scheduled to be heard by LAB on Tuesday, 02-07-17 11:00AM in House conference room 309.

S = Senate | **H** = House | **D** = Data Systems | **\$** = Appropriation measure | **ConAm** = Constitutional Amendment
Some of the above items require Adobe Acrobat Reader. Please visit [Adobe's download page](#) for detailed instructions.

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 strong and
2 consistent enforcement of Hawaii's ethics laws is necessary to
3 maintain the public's trust in government officials. The
4 legislature further finds that the administrative fines that the
5 state ethics commission may impose upon individuals for failing
6 to timely file financial disclosure statements have not been
7 adjusted for inflation in decades. The fine currently imposed
8 upon a state legislator, employee, or constitutional convention
9 delegate for failing to timely file a financial disclosure
10 statement was set in 1997 at \$50; an equivalent fine would be
11 over \$79 in 2016 dollars. This Act increases the fine to \$75 to
12 account for inflation. The fine currently imposed upon a
13 candidate for state elective office for failing to timely file a
14 financial disclosure statement was set in 1995 at \$25; an
15 equivalent fine would be approximately \$40 in 2016 dollars.
16 This Act increases the fine to \$50.



1 The legislature also finds that, in 2016, pursuant to
2 existing law, the state ethics commission sent nearly one
3 hundred letters by registered mail, return receipt requested, to
4 notify individuals of their failure to timely file financial
5 disclosure statements. The state ethics commission paid more
6 than \$1,000 for postage for those letters, at a cost of \$14.87
7 per letter. The legislature further finds that the expense of
8 sending the notification letters by registered mail, return
9 receipt requested, is no longer justified, and that it is
10 sufficient for the state ethics commission to send these
11 notifications to users' state e-mail accounts or by first-class
12 mail.

13 Accordingly, the purpose of this Act is to provide
14 additional clarity and consistency in the administration and
15 enforcement of Hawaii's ethics laws, and to promote integrity in
16 state government, by:

- 17 (1) Increasing fines for failure to timely file financial
18 disclosure statements;
- 19 (2) Allowing the state ethics commission to notify, by
20 e-mail or first-class mail rather than by registered
21 mail with return receipt requested, those individuals



1 who fail to timely file their financial disclosure
2 statements; and

3 (3) Directing the state ethics commission to publish the
4 names of individuals who fail to file their financial
5 disclosure statements by the statutory deadline.

6 SECTION 2. Section 84-17, Hawaii Revised Statutes, is
7 amended by amending subsections (i) and (j) to read as follows:

8 "(i) Failure of a legislator, a delegate to the
9 constitutional convention, or employee to file a disclosure of
10 financial interests as required by this section shall be a
11 violation of this chapter. Any legislator, delegate to a
12 constitutional convention, or employee who fails to file a
13 disclosure of financial interests when due shall be assessed an
14 administrative fine of [~~\$50.~~] \$75. The ethics commission, upon
15 the expiration of the time allowed for filing, shall release to
16 the public a list of all persons who have failed to file
17 financial disclosure statements. The [~~state ethics~~] commission
18 shall notify a person, by [~~registered mail, return receipt~~
19 ~~requested,~~] electronic mail to the person's state e-mail address
20 or first-class mail, of the failure to file, and the disclosure
21 of financial interests shall be submitted to the commission not



1 later than 4:30 p.m. on the tenth day after notification of the
2 failure to file has been mailed to the person. If a disclosure
3 of financial interests has not been filed within ten days of the
4 due date, an additional administrative fine of \$10 for each day
5 a disclosure remains unfiled shall be added to the
6 administrative fine. All administrative fines collected under
7 this section shall be deposited in the State's general fund.
8 Any administrative fine for late filing shall be in addition to
9 any other action the commission may take under this chapter for
10 violations of the state ethics code. The commission may waive
11 any administrative fines assessed under this subsection for good
12 cause shown.

13 (j) The chief election officer, upon receipt of the
14 nomination paper of any person seeking a state elective office,
15 including the office of delegate to the constitutional
16 convention, shall notify the ethics commission of the name of
17 the candidate for state office and the date on which the person
18 filed the nomination paper. The [~~ethics~~] commission, upon the
19 expiration of the time allowed for filing, shall release to the
20 public a list of all candidates who have failed to file
21 financial disclosure statements and shall immediately assess a



1 late filing penalty fee against those candidates of [~~\$25~~] \$50,
2 which shall be collected by the [~~state ethics~~] commission and
3 deposited into the general fund. The [~~ethics~~] commission may
4 investigate, initiate, or receive charges as to whether a
5 candidate's financial disclosure statement discloses the
6 financial interests required to be disclosed. After proceeding
7 in conformance with section 84-31, the [~~ethics~~] commission may
8 issue a decision as to whether a candidate has complied with
9 section 84-17(f) and this decision shall be a matter of public
10 record."

11 SECTION 3. The state ethics commission, in its discretion,
12 may make any changes that it deems necessary to internal
13 procedures or forms to aid in the implementation of this Act.

14 SECTION 4. If any provision of this Act, or the
15 application thereof to any person or circumstance, is held
16 invalid, the invalidity does not affect other provisions or
17 applications of the Act that can be given effect without the
18 invalid provision or application, and to this end the provisions
19 of this Act are severable.



H.B. NO. 852

1 SECTION 5. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

4 SECTION 6. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 7. This Act shall take effect upon its approval.

7

INTRODUCED BY:

A handwritten signature in black ink, appearing to be "G. R.", written over a horizontal line.

JAN 23 2017



H.B. NO. 852

Report Title:

State Ethics Commission; Financial Disclosure Statements; Fines

Description:

Increases fines for failures to timely file financial disclosure statements. Allows the state ethics commission to use e-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 individuals who fail to file their financial disclosure statements by the statutory deadline.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



TO: Members of the Committee on Labor and Public Employment

FROM: Natalie Iwasa
Honolulu, HI 96825
808-395-3233

HEARING: 11 a.m. Tuesday, February 7, 2017

SUBJECT: HB 852, Increase Fines for Late Financial Disclosure Statements- **SUPPORT**

Aloha Chair and Committee Members,

Thank you for allowing me the opportunity to provide testimony on HB 852, which would increase fines for failure to timely file disclosure statements, requires the ethics commission to release a list of people who have not timely filed such statements and allows e-mailed or first class mailing to those who have not filed on time.

It is regularly reported that some financial disclosure statements are not filed on time. I therefore support this bill and ask you to vote "yes."



House Labor and Public Employment Committee
Chair Aaron Johanson, Vice Chair Daniel Holt

02/07/2017 11:00 AM Room 309
HB852 – Relating to Ethics

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

Dear Chair Johanson, Vice Chair Holt, and members of the House Labor and Public Employment Committee:

Common Cause Hawaii supports HB852 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 or first class mail, 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**.



49 South Hotel Street, Room 314 | Honolulu, HI 96813
www.lwv-hawaii.com | 808.531.7448 | voters@lwv-hawaii.com

HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

Tuesday, February 7, 2011, 11 AM, Conference Room 309
HB 852, RELATING TO ETHICS

TESTIMONY

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

Chair Johanson and Committee Members:

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

Thank you for the opportunity to submit testimony.

TO: Members of the Committee on Labor and Public Employment

FROM: Natalie Iwasa
Honolulu, HI 96825
808-395-3233

HEARING: 11 a.m. Tuesday, February 7, 2017

SUBJECT: HB 852, Increase Fines for Late Financial Disclosure Statements- **SUPPORT**

Aloha Chair and Committee Members,

Thank you for allowing me the opportunity to provide testimony on HB 852, which would increase fines for failure to timely file disclosure statements, requires the ethics commission to release a list of people who have not timely filed such statements and allows e-mailed or first class mailing to those who have not filed on time.

It is regularly reported that some financial disclosure statements are not filed on time. I therefore support this bill and ask you to vote "yes."

HB 852

LATE TESTIMONY