



## HAWAII STATE ETHICS COMMISSION

State of Hawaii · Bishop Square, 1001 Bishop Street, ASB Tower 970 · Honolulu, Hawaii 96813  
*50<sup>th</sup> ANNIVERSARY 1968-2018*

Committee: Committee on Judiciary  
Bill Number: S.B. 2609  
Hearing Date/Time: February 20, 2018, 9:30 a.m.  
Re: Testimony of the Hawaii State Ethics Commission **OPPOSING**  
S.B. 2609, Relating to Financial Disclosure Statements

Dear Chair Taniguchi and Committee Members:

The Hawaii State Ethics Commission (“Commission”) opposes S.B. 2609, which would make confidential certain financial information filed by members of high-profile boards and commissions.

The Commission supports legislation that promotes openness and transparency in government, and respectfully submits that this bill moves in the wrong direction. For members of very high-profile boards and commissions, such as the Board of Land and Natural Resources, the Hawaii Community Development Authority, and the Ethics Commission, the public would still be allowed to see that an individual held a financial interest in a particular entity but would have no way of knowing whether the interest was \$5,000 or \$5,000,000. The Commission is concerned that this will weaken public confidence in the actions of these individuals and their respective boards and commissions, which is contrary to the purpose of the state ethics laws.

The Commission recognizes the importance of recruiting and maintaining highly qualified board and commission members (and that some would-be members claim to be deterred by the financial disclosure requirement). On balance, however, the Commission believes that individuals serving on high-profile boards and commissions ought to file financial disclosure statements that are fully available to the public.

The Commission is, of course, able to administer the financial disclosure law as directed by the Legislature; however, the Commission notes that it has just launched its new electronic filing system for financial disclosures, and would have to re-program the system to account for the changes proposed by this bill. Our rough estimate is that this type of re-programming, using our existing outside vendor, would cost approximately \$6,000.

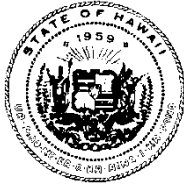
Additionally, if the Committee is inclined to approve this measure, the Commission respectfully requests that the effective date be pushed back to give the Commission sufficient time to implement these changes to its electronic filing system.

Thank you for your continuing support of the Commission's work and for considering the Commission's testimony on S.B. 2609.

Very truly yours,

Daniel Gluck  
Executive Director and General Counsel

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
677 QUEEN STREET, SUITE 300  
Honolulu, Hawaii 96813  
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of  
**Craig K. Hirai**  
Hawaii Housing Finance and Development Corporation  
Before the

**SENATE COMMITTEE ON JUDICIARY**

February 20, 2018 at 9:30 a.m.  
State Capitol, Room 016

In consideration of  
**S.B. 2609**  
**RELATING TO FINANCIAL DISCLOSURE STATEMENTS.**

The HHFDC supports S.B. 2609, which provides that financial disclosure statements redact amounts reported by non-paid volunteer members of certain public boards, including the Board of Directors of the HHFDC. The public disclosure requirement is a barrier to attracting and keeping qualified nominees for HHFDC Board positions.

Thank you for the opportunity to provide written comments on this bill.



Senate Committee on Judiciary  
Chair Brian Taniguchi, Vice Chair Karl Rhoads

02/20/2018 9:30 AM Room 016  
SB2609 – Relating to Financial Disclosure Statements

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

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Dear Chair Taniguchi, Vice Chair Rhoads, and members of the committee:

**Common Cause Hawaii opposes SB2609** which would require the redaction of all amounts reported by non-paid volunteer members of specified state boards, commissions, and agencies.

Article XIV of our constitution requires all board and commission members who wield “significant discretionary or fiscal powers” to file financial disclosure statements to promote transparency and accountability.<sup>1</sup> It does not matter whether these board and commission members are non-paid volunteers, they still wield “significant discretionary or fiscal powers”, and redaction would render these public disclosures meaningless. The public is entitled to, and deserves full access to this information.

Common Cause Hawaii urges you to **defer SB2609**.

Thank you for the opportunity to offer testimony **opposing SB2609**.

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<sup>1</sup> <http://lrbhawaii.org/con/conart14.html>

Randolph G. Moore  
2445-A Makiki Heights Drive  
Honolulu Hawaii 96822

Telephone (808) 778-8832

email rmoore@hawaii.rr.com

February 16, 2018

The Honorable Brian Taniguchi, chair  
and members of the Committee on Judiciary  
The Senate  
State Capitol  
Honolulu, Hawaii

Dear Senator Taniguchi and members of the Committee:

Subject: SB 2609 (relating to financial disclosure statements)

I encourage your support of SB 2609 which would redact the amounts reported by unpaid volunteer members of enumerated state boards and commissions on their financial disclosure statements before the statements are made public.

The requirement for public disclosure of this information four years ago prompted the resignation of four of the 15 members of the board of regents of the University of Hawaii and has, I believed, deterred a number of prospective board members from applying for the position.

Redaction of amounts should increase the size and quality of the pool of candidates for state boards and commissions, to the benefit of the people of Hawaii.

Although I am a member of the board of regents, this testimony is submitted only on behalf of myself. The board as a body has not had the opportunity to review the SB 2609 and to discuss whether to take a position on it.

Mahalo for your consideration.



49 South Hotel Street, Room 314 | Honolulu, HI 96813  
[www.lwv-hawaii.com](http://www.lwv-hawaii.com) | 808.531.7448 | [voters@lwv-hawaii.com](mailto:voters@lwv-hawaii.com)

SENATE COMMITTEE ON JUDICIARY

Tuesday, February 20, 2018, 9:30 AM, Conference Room 016  
SB 2609, Relating to Financial Disclosure Statements

**TESTIMONY**

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

Chair Taniguchi and Committee Members:

**The League of Women Voters opposes SB 2609.** This bill requires redaction of financial disclosures in public financial disclosure statements filed by uncompensated members of certain state boards.

Public financial disclosure statements are required -- and appropriate -- for members of state boards which can authorize private use of public property or spend public funds for private benefit. Obviously it is pointless to publicly disclose financial disclosure statements if the financial disclosures are redacted.

Thank you for the opportunity to submit testimony.