



HAWAI'I STATE ETHICS COMMISSION

State of Hawai'i · Bishop Square, 1001 Bishop Street, ASB Tower 970 · Honolulu, Hawai'i

Committee: House Committee on Finance
Bill Number: SB 182 SD1 HD1
Hearing Date/Time: April 5, 2023, 2:00 p.m.
Re: Testimony of the Hawai'i State Ethics Commission in **SUPPORT** of
S.B. 182 SD1 HD1, Relating to Disclosures of Financial Interests

Aloha Chair Yamashita, Vice Chair Kitagawa, and Committee Members:

The Hawai'i State Ethics Commission ("Commission") strongly supports S.B. 182 SD1 HD1 which: (1) provides for a \$50 fine for failure to file a financial disclosure statement and a \$250 fine for failure to do so within thirty days of the original deadline; and (2) streamlines the financial disclosure enforcement process.

The Financial Disclosure law, Hawai'i Revised Statutes § 84-17 requires legislators, employees, and candidates to file financial disclosure statements. The failure to do so currently results in a \$75 administrative fine, notification from the Commission, and the assessment of an additional \$10/day fine for every additional day it remains unfiled. The \$10/day provision has led to administrative fines of over \$1,000 for the failure to file a financial disclosure statement, and the Commission is *required* to levy those fines. The Commission believes that S.B. 182's penalties are more equitable and avoid unduly harsh consequences.

The Commission also strongly supports SB 182's streamlining of the enforcement process for financial disclosure penalties. The failure to file a financial disclosure statement is currently treated like any other ethics violation. This means the Commission must proceed through the contested case hearing process, which can take several months and includes preparing a charge and other pleadings, allowing the respondent to answer those, and if necessary, conducting a contested case hearing. Because the Commission can have numerous financial disclosure cases in any year, this process is unduly cumbersome and utilizes too many resources. SB 182 addresses these issues by allowing the Commission to assess fines and only proceed through the hearing process if requested by the respondent.

Mahalo for your continuing support of the Commission's work and for considering its testimony on SB 182 SD1 HD1.

Very truly yours,

/S/ Robert D. Harris
Executive Director and General Counsel