



HAWAI'I STATE ETHICS COMMISSION

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

Committee: House Committee on Judiciary & Hawaiian Affairs
Bill Number: HB 135
Hearing Date/Time: February 2, 2023, 2:00 p.m.
Re: Testimony of the Hawai'i State Ethics Commission in **SUPPORT** of
HB 135 -- Making an Appropriation for County Ethics

Aloha Chair Tarnas, Vice Chair Takayama, and Committee Members:

The Hawai'i State Ethics Commission (“Commission”) **supports** HB 135, which updates and simplifies the existing financial disclosure process.¹ This measure (1) sets a specific date for candidates to file their financial disclosure statement; (2) establishes a uniform fine for legislators, candidates, and state employees; (3) simplifies the enforcement process; (4) grants the Commission discretion in collecting an administrative fine; and (5) other technical edits.

Currently, the Commission could spend thousands of dollars in administrative costs to collect, for example, a \$50 fine against a candidate who failed to file a financial disclosure statement. Haw. Rev. Stat. § 84-17 mandates that the Commission “shall” collect an administrative fine for any failure to file a financial disclosure statement. The current collection process is unnecessarily complex in relation to assessing a modest fine. For example, a typical collection effort could require personal service on a respondent on three separate occasions, a contested case hearing, and duplicative enforcement effort at circuit court.

The purpose of HB 135 is to modernize the administrative process by allowing the fine to be assessed through a notice and order. The respondent may request a contested case within twenty days. After twenty days has lapsed or the completion of contested case hearing, a final order could be enforced in circuit court for collection purposes.

In addition, this measure consolidates the fine schedule for employees, legislators, and candidates. Previously, employees and legislators could be fined \$10 per day, which has the potential to lead to significant fines. HB 135 now assesses a \$50 fine for a late filing. If a financial disclosure statement is not filed within 30 days after the first fine, an additional \$250 fine could be assessed.

¹ The Hawai'i State Constitution requires “all elected officers, all candidates for elective office and such appointed officers and employees as provided by law” to file a public financial disclosure. Article XIV, Constitution of the State of Hawai'i. Haw. Rev. Stat. § 84-17 governs the requirements for what is required in a financial disclosure, as well as the penalties for noncompliance.

Finally, this measure additionally gives the Commission greater discretion in its collection efforts. The Commission is cognizant that, pursuant to Haw. Rev. Stat. § 84-13, discretion must be applied in a consistent and fair manner. Nonetheless, greater discretion could avoid situations where collection is futile and a waste of state resources.

Mahalo for the opportunity to submit testimony on HB 135.

Very truly yours,

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

HB-135

Submitted on: 1/31/2023 9:21:57 PM

Testimony for JHA on 2/2/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Please support HB135.