



HAWAII STATE ETHICS COMMISSION

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

Committee: Committee on Judiciary
Bill Number: H.B. 508, Relating to Ethics
Hearing Date/Time: February 9, 2017, 2:00 p.m.
Re: Testimony of the Hawaii State Ethics Commission in **SUPPORT**

Dear Chair Nishimoto and Committee Members:

The Hawaii State Ethics Commission (“Commission”) supports H.B. 508, part of the State Ethics Commission package, which amends parts of the Ethics Code and Lobbyists Law. This bill has three purposes:

1. Raising penalties for violations of Ethics Code and Lobbyists Law

This measure raises the maximum administrative penalties for violations of the Ethics Code (HRS chapter 84) and the Lobbyists Law (HRS chapter 97), from \$500 to \$1,000. The penalty amount for violating the Ethics Code was last set in 1992; adjusting for inflation, that penalty would be approximately \$858 today. Similarly, the penalty amount for violating the Lobbyists Law was last set in 1995.

The Commission notes that this would set the maximum penalty the Commission could impose; however, in resolving possible violations of the law, the Commission may impose penalties significantly below the maximum (depending on a number of different factors). This measure would give the Commission additional flexibility in cases involving egregious violations of the Ethics Code or Lobbyists Law, individuals who have repeatedly violated the Ethics Code or Lobbyists law, or situations where a higher penalty is warranted.

2. Clarifying that the Commission can settle cases

In Section 2 (amending HRS § 84-39(b)), this proposed bill would also make clear that the Commission can negotiate an administrative penalty (and/or restitution) as part of any negotiated settlement. The Commission believes that it already has statutory authority to engage in this long-standing practice, but believes it prudent to make that authority explicit.

3. Removing outdated language regarding violations of the Lobbyists Law

In Section 3 (amending HRS § 97-7(a)), this bill would remove the mens rea requirement from HRS § 97-7. This requirement is held over from a time when the violation of the Lobbyists Law was a criminal offense. The penalties have been civil, rather than criminal, for quite some time, but the criminal law state-of-mind requirement remains. The Commission respectfully asks that this be amended accordingly.

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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. 508.

Very truly yours,

Daniel Gluck
Executive Director and General Counsel