



HAWAII STATE ETHICS COMMISSION

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

Committee: Committee on Labor
Bill Number: H.B. 852
Hearing Date/Time: February 7, 2017, 11:00 a.m.
Re: Testimony of the Hawaii State Ethics Commission in **SUPPORT**
of H.B. 852, Relating to Ethics

Dear Chair Johanson and Committee Members:

The Hawaii State Ethics Commission (“Commission”) supports H.B. 852, part of the State Ethics Commission package, which amends a section of the Ethics Code relating to the late filing of financial disclosures.¹

In short, this measure removes the requirement that the Ethics Commission send fine notices by “registered mail, return receipt requested”; increases the fines for those who miss the filing deadline; and requires publication of a list of those who fail to file their financial disclosures on time.

1. Postage costs

Currently, HRS § 84-17 requires the Commission to impose a fine of \$50 for individuals who fail to file their financial disclosures by the May 31 deadline. However, HRS § 84-17 also requires that the Commission send notices of those fines by “registered mail, return receipt requested. In 2016, for each of these fine notices, the Commission paid \$14.87 in postage. In 2016, more than 300 individuals failed to file their financial disclosures on time; Commission staff convinced many of those individuals to file the statements (late) through e-mail and phone calls, but the Commission still spent approximately \$1,000 to mail dozens of letters as required by statute. The Commission believes that it can send these notices via e-mail and first-class U.S. mail and achieve the same result at a substantially reduced cost, and respectfully requests a statutory amendment to do so.

2. Fines for failure to file; published list of late filers

The current fines for failure to file a financial disclosure (\$50) and candidate financial disclosure (\$25) were last set in 1995. The Commission respectfully requests that the fines be increased to \$75 and \$50, respectively, to account for inflation.

The Commission also believes that publishing a list of those who fail to file their disclosures on time will help to incentivize state officials to complete their filings on time.

¹ The language in this measure also appears in Section 5 of H.B. 290, which is also being heard on today’s agenda.

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As such, the Commission respectfully requests an amendment to HRS § 84-17 to require publication of a list of late filers.

Thank you for your continuing support of the Commission's work and for considering the Commission's testimony on H.B. 852.

Very truly yours,

Daniel Gluck
Executive Director and General Counsel