

Honolulu, Hawaii

FEB 18 2016

RE: S.B. No. 3024

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 3024 entitled:

"A BILL FOR AN ACT RELATING TO THE STATE ETHICS COMMISSION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Reduce the appropriation under Act 151, Session Laws of Hawaii 2015, from \$130,000 to \$50,000 for the Hawaii State Ethics Commission to design and develop an electronic filing system; and
- (2) Reappropriate the savings from the electronic filing system for fiscal year 2015-2016 for vacation payouts for retiring employees of the Hawaii State Ethics Commission and a task force that may be established by the Legislature to assist and advise the Commission.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission. Your Committee received comments on this measure from the League of Women Voters of Hawaii.

Your Committee finds that the Hawaii State Ethics Commission (Commission) is working with the Office of Enterprise Technology Services (ETS) in designing and developing an electronic filing system to allow financial disclosure statements, gifts disclosure statements, travel authorization forms, lobbyist registration



forms, and lobbyist expenditure reports to be filed through the Commission's website. As a result of this partnership with ETS, the Commission is realizing a savings of \$80,000 from its original appropriation of \$130,000. This measure reappropriates the savings to provide funds for other costs expected to be incurred by the Commission.

Your Committee notes the Commission's testimony that while it has recently paid approximately \$44,000 of accrued vacation to two employees who retired from state service on December 30, 2015, the Commission has budgeted for vacation payout expenses in its budgetary request under H.B. No. 2720 (Regular Session of 2016). Accordingly, the Commission testified that it does not believe that redirecting the savings from the electronic filing system for this purpose is necessary.

Your Committee further notes that the Commission supports the re-direction of funds for a task force to assist and advise the Commission. In particular, the Commission supports the establishment of a task force to examine the lobbyist laws and recommend amendments to the law. The Commission testified that the lobbyist laws under chapter 97, Hawaii Revised Statutes, are outdated and the Legislature should consider a comprehensive overhaul of the statutes.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the language suggested by the Hawaii State Ethics Commission that:
 - (A) Removes language that reappropriates the savings from the electronic filing system to provide funds for vacation payouts for retiring employees; and
 - (B) Establishes the lobbyist law task force to examine the State's lobbyist laws and make recommendations to the Legislature to amend these laws, if necessary, and identifies the members of the task force; and
- (2) Inserting a blank appropriation amount to cover the expenses incurred for administering and operating the lobbyist law task force;



- (3) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3024, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3024, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



GILBERT S.C. KEITH-AGARAN, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* SB 3024	Committee Referral: JDL, WAM	Date: 2/10/16
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	✓			
SHIMABUKURO, Maile S.L. (VC)	✓			
GABBARD, Mike	✓			
██████████				
KIM, Donna Mercado	✓			
THIELEN, Laura H.	✓			
SLOM, Sam				✓
TOTAL	5			1

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:

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*Only one measure per Record of Votes