

STAND. COM. REP. NO.

1293

Honolulu, Hawaii

APR 04 2017

RE: H.B. No. 508
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
H.B. No. 508, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ETHICS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the maximum administrative fine that may be imposed by the State Ethics Commission from \$500 to \$1,000 for a violation of the Code of Ethics under chapter 84, Hawaii Revised Statutes;
- (2) Clarify that the administrative fine imposed for a violation of the Code of Ethics shall not be assessed unless the State Ethics Commission convenes a hearing and renders a decision, or the Commission and respondent agree to resolve any charge of an alleged violation prior to completion of the contested case process and the resolution includes payment of an administrative fine or restitution, or both; and
- (3) Remove the mens rea element for violations of the lobbying laws under chapter 97, Hawaii Revised Statutes, and increasing the maximum administrative fee that may



be imposed by the State Ethics Commission from \$500 to \$1,000 for each violation.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission, Common Cause Hawaii, and League of Women Voters of Hawaii. Your Committee received comments on this measure from the Hawai'i Alliance of Nonprofit Organizations.

Your Committee finds that this measure updates and streamlines the administration and enforcement of the Code of Ethics and lobbying laws by increasing the administrative penalties that may be imposed for violations of the ethics code or lobbying laws and authorizing the State Ethics Commission to settle cases involving an ethics code violation.

Your Committee has amended this measure by:

- (1) Deleting the preamble section;
- (2) Deleting language that would have removed the mens rea element of and increased the maximum administrative fee that may be imposed by the State Ethics Commission for a violation of the lobbying law under chapter 97, Hawaii Revised Statutes;
- (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 H.B. No. 508, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 508, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.



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



GILBERT S.C. KEITH-AGARAN, Chair



