
A BILL FOR AN ACT

RELATING TO ETHICS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the current maximum
2 penalty that the state ethics commission may impose for a
3 violation of the ethics code is \$500 per violation. This
4 penalty has not been adjusted since being set by the legislature
5 in 1992. Adjusted for inflation, an equivalent penalty would be
6 approximately \$857 in 2016 dollars. The legislature believes
7 that the current statutory penalty should be increased to
8 \$1,000. Similarly, the maximum penalty for violating chapter
9 97, Hawaii Revised Statutes, regulating lobbyists has remained
10 at \$500 since 1995. The legislature believes that this fine
11 should also be increased to \$1,000 to account for inflation

12 The legislature further finds that the failure to file a
13 report required by chapter 97, Hawaii Revised Statutes, is no
14 longer a criminal offense. Thus, the legislature believes that
15 the mens rea requirement to prove a violation of chapter 97,
16 Hawaii Revised Statutes, should be removed.

17 The purpose of this Act is to:



- 1 (1) Increase the maximum penalties that the state ethics
2 commission may impose to account for inflation;
- 3 (2) Clarify the ethics code's language regarding the
4 assessment of fines in the context of a settlement
5 agreement;
- 6 (3) Remove statutory remnants from when violations of the
7 lobbyist law were criminal offenses; and
- 8 (4) Increase the maximum penalties for violating the
9 lobbyist law.

10 SECTION 2. Section 84-39, Hawaii Revised Statutes, is
11 amended to read as follows:

12 " ~~[f]~~ §84-39 ~~[f]~~ **Administrative fines.** (a) Where an
13 administrative fine has not been established for a violation of
14 a provision of this chapter, any person, including a legislator
15 or employee, who violates a provision of this chapter shall be
16 subject to an administrative fine imposed by the ethics
17 commission that shall not exceed ~~[\$500]~~ \$1,000 for each
18 violation. All fines collected under this section shall be
19 deposited in the general fund.

20 (b) No fine shall be assessed under this section unless:



1 (1) The commission convenes a hearing in accordance with
2 section 84-31(c) and chapter 91[+] and

3 [~~2~~] A] a decision has been rendered by the commission[-];
4 or

5 (2) The commission and respondent agree to resolve an
6 alleged violation prior to completion of the contested
7 case process and the resolution includes payment of an
8 administrative fine or restitution, or both."

9 SECTION 3. Section 97-7, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) Any person who:

12 (1) [~~Wilfully fails~~] Fails to file any statement or report
13 required by this chapter;

14 (2) [~~Wilfully files~~] Files a statement or report
15 containing false information or material omission of
16 any fact;

17 (3) Engages in activities prohibited by section 97-5; or

18 (4) Fails to provide information required by section 97-2
19 or 97-3;

20 shall be subject to an administrative fine imposed by the
21 commission that shall not exceed [~~\$500~~] \$1,000 for each



1 violation of this chapter. All fines collected under this
2 section shall be deposited into the general fund."

3 SECTION 4. The state ethics commission, in its discretion,
4 may make any changes that it deems necessary to internal
5 procedures or forms to aid in the implementation of this Act.

6 SECTION 5. If any provision of this Act, or the
7 application thereof to any person or circumstance, is held
8 invalid, the invalidity does not affect other provisions or
9 applications of the Act that can be given effect without the
10 invalid provision or application, and to this end the provisions
11 of this Act are severable.

12 SECTION 6. This Act does not affect rights and duties that
13 matured, penalties that were incurred, and proceedings that were
14 begun before its effective date.

15 SECTION 7. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 8. This Act shall take effect upon its approval.

18

INTRODUCED BY:  _____

JAN 20 2017



H.B. NO. 808

Report Title:

Government; Ethics; Lobbyists

Description:

Increases fines for ethics violations and for violations of the lobbyist law, chapter 97, HRS. Clarifies the ethics code's language regarding the assessment of fines in the context of a settlement agreement. Removes statutory remnants from when violations of chapter 97, HRS, were criminal offenses.

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