

STAND. COM. REP. NO. 1612

Honolulu, Hawaii

APR 04 2023

RE: H.B. No. 707
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 707, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO FALSE CLAIMS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish that it is a class C felony to make false, fictitious, or fraudulent claims against the State or a county, or any of their departments or agencies; and
- (2) Disqualify a person convicted of making a false, fictitious, or fraudulent claim from receiving public financing for elections for a period of ten years.

Your Committee received testimony in support of this measure from the Campaign Spending Commission, Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Commission to Improve Standards of Conduct, and three individuals.

Your Committee finds that given several scandals that have shaken the public's trust in Hawai'i's state and local government, state laws should be amended to reflect and address the egregious nature of certain offenses, such as false claims, that further



betray the public's trust or manipulate the system to one's own benefit. While federal prosecutors have largely taken the lead in prosecuting incidents of state and local government misconduct, this is largely due to the greater effectiveness and severity of federal laws on the matter. This measure will better equip state and county prosecutors with the tools to prosecute this type of corruption.

Your Committee has amended this measure by:

- (1) Replacing language specifying certain government agencies with the term "government" and adding a definition of "government" to have the same meaning as section 710-1000, Hawaii Revised Statutes;
- (2) Deleting language that would have specified that application of the new section regarding false, fictitious, or fraudulent claims against the government shall be based on title 18 United States Code section 287 and any relevant federal case law and precedent;
- (3) Deleting superfluous language stating that a person charged with the offense of making a false, fictitious, or fraudulent claim is eligible for a deferred acceptance of guilty plea or nolo contendere plea;
- (4) Changing the penalty for any person convicted under the new section regarding false, fictitious, or fraudulent claims against the government from being disqualified from receiving public financing under part XIII, subpart J of chapter 11, Hawaii Revised Statutes, for a period of ten years from the date of conviction to instead being disqualified from holding elected office for five years from the date of conviction;
- (5) Amending section 1 to reflect its amended purpose;
- (6) Inserting an effective date of March 22, 2075, to encourage further discussion; and
- (7) 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 that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 707, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 707, 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,



KARL RHOADS, Chair



