

OFFICE OF THE LIEUTENANT GOVERNOR Ke Ke'ena O Ka Hope Kia'āina

TO: Chair Angus McKelvey

Vice Chair Mike Gabbard

Members of the Senate Committee on Government Operations

FROM: Sylvia Luke, Lieutenant Governor

RE: Testimony for S.B. 828 – Relating to the Certification of Documents

DATE: February 9, 2023

Thank you for the opportunity to provide testimony in **strong support of S.B. 828** which increases the fee for the issuance of an apostille or certification from \$1 to \$10 and establishes the apostilles and certifications special fund.

As Secretary of State, the Lieutenant Governor annually provides approximately 7,500 authentication services for all public and general documents that are used overseas including powers of attorney, marriage certificates, birth certificates, divorce decrees, probated and un-probated wills, judgments, agreements, transcripts, and more. In the short period that I have been in office, my staff and I have witnessed firsthand that the current system is archaic and does not serve the public as intended. Since our office is unable to accept credit card or web-based payment, those seeking an apostille or certification must either pay \$1 in cash or obtain a cashier's check that most banks charge \$15 to process. If there are errors in dropped-off paper applications that require our office to mail documents back to the applicant, our office pays between 60 cents to \$2.00 per return. Lastly, if an applicant is out-of-country, they do not have the ability to purchase US postage and cannot provide a self-addressed stamped envelope, resulting in our office paying between \$1.45 - \$4.00 per international mailing. Passage of this measure will ensure that my office has sufficient funding to execute its constitutional obligations without burdening the state treasury.

Thank you for the opportunity to provide testimony in strong support of S.B. 828.



TESTIMONY OF THE DEPARTMENT OF THE ATTORNEY GENERAL KA 'OIHANA O KA LOIO KUHINA THIRTY-SECOND LEGISLATURE, 2023

ON THE FOLLOWING MEASURE:

S.B. NO. 828, RELATING TO THE CERTIFICATION OF DOCUMENTS.

BEFORE THE:

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

DATE: Thursday, February 9, 2023 **TIME:** 3:00 p.m.

LOCATION: State Capitol, Room 225

TESTIFIER(S): Anne E. Lopez, Attorney General, or

Candace J. Park, Deputy Attorney General

Chair McKelvey and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purposes of this bill are: (1) to add a new chapter to the Hawaii Revised Statutes for the certification of documents by the Lieutenant Governor; and (2) to establish the Apostille and Certifications Special Fund, for operational expenses.

Article VII, section 5, of the Hawaii State Constitution provides in part: "No public money shall be expended except pursuant to appropriations made by law." Money may not be expended from the Apostille and Certifications Special Fund unless an appropriation is made out of the fund. However, the bill does not contain an appropriation out of the fund.

We recommend amending the bill by adding a new section 2, to read as follows:

"There is appropriated out of the apostille and certifications special fund the sum of \$ or so much thereof as may be necessary for fiscal year 2023-2024 for operational expenses of the office of the lieutenant governor.

The sum appropriated shall be expended by the office of the lieutenant governor for the purposes of this Act."

If the Committee decides to pass this bill, the Department respectfully requests the Committee to amend the bill to meet the requirements of article VII, section 5, of the Hawaii State Constitution.

Thank you for the opportunity to provide these comments.

JOSH GREEN, M.D. GOVERNOR E OF HAWA

LUIS P. SALAVERIA

SABRINA NASIR DEPUTY DIRECTOR

OFFICE OF FEDERAL AWARDS MANAGEMENT

STATE OF HAWAI'I DEPARTMENT OF BUDGET AND FINANCE Ka 'Oihana Majama Mo'ohelu a Kājā BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION

EMPLOYEES' RETIREMENT SYSTEM HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND OFFICE OF THE PUBLIC DEFENDER

Ka 'Oihana Mālama Mo'ohelu a Kālā P.O. BOX 150 HONOLULU, HAWAI'I 96810-0150

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS
ON
SENATE BILL NO. 828

February 9, 2023 3:00 p.m. Room 225 and Videoconference

RELATING TO THE CERTIFICATION OF DOCUMENTS

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill (S.B.) No. 828: 1) increases the fee for the issuance or an apostille or non-apostille certification from \$1 to \$10; 2) creates the Apostilles and Certifications Special Fund that would generate revenues from fee assessments for the issuance of apostilles and non-apostille certifications and interest earnings; and 3) authorizes the Office of the Lieutenant Governor (LG) to use the special fund for operating costs. No funds are appropriated in the bill.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or

activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 828, it is difficult to determine whether the proposed special fund demonstrates a clear link between the program and sources of revenue since it appears the special fund is not limited to supporting the apostilles program but can be used for general operating costs of the LG.

Thank you for your consideration of our comments.

TO: Members of the Committee on Government Operations

FROM: Natalie Iwasa

808-395-3233

HEARING: 3 p.m. Thursday, February 9, 2023

SUBJECT: SB 828, Certification Fee & New Fund

OPPOSED to New Fund

Aloha Chairs McKelvey and Committee Members,

Thank you for allowing the opportunity to provide testimony on SB 828, which would increase the fee to \$10 for certain certifications and establish a new fund into which those fees would go.

Ten dollars is a reasonable amount to charge; however, we do not need another special fund.

Can you imagine how unwieldy and inefficient your family's budgeting would be if you had a bunch of special funds?

- Grocery fund
- Take-out food fund
- Toiletries fund
- Vacation fund
- Home repair fund
- Utilities fund
- Birthday party fund
- Graduation party fund
- Transportation fund and on and on.

Please amend the bill to remove the special fund.





KENNETH S. FINK, M.D., M.G.A., M.P.H.

DIRECTOR OF HEALTH KA LUNA HO'OKELE

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Testimony COMMENTING on SB828 RELATING TO CERTIFICATION OF DOCUMENTS

SENATOR ANGUS MCKELVEY, CHAIR SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Hearing Date: February 9, 2023 Room Number: 225

- 1 **Fiscal Implications:** Unspecified fees.
- 2 **Department Testimony:** The Department of Health (DOH) serves a vital function for the
- 3 issuance of apostilles, along with the Office of the Lieutenant Governor, and the Judiciary.
- 4 Apostilles authenticate the seals and signatures of officials on public documents such as birth
- 5 certificates, court orders, or any other document issued by a federal agency or certified by a U.S.
- or foreign consul. An apostille certifies the document(s), so the document can be recognized in
- 7 foreign countries that are members of the <u>1961 Hague Convention</u>
- 8 In 2022, DOH issued over 8,000 apostilles, with each apostille requiring:
 - Accepting an order form in hard copy by mail
 - Including a self-addressed stamped envelope
- Collection of fees

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- o \$12.50 for a certified copy of a birth or marriage certificate,
- o \$10 for a certified copy of a death certificate,
- o \$1 for the Office of the Lieutenant Governor, and
- An additional \$3 if the country requiring the apostille is a non-Hague Convention
 signatory
- DOH staff review of the appropriateness of the requestor's right to access vital records
 pursuant to <u>section 338-18, Hawaii Revised Statutes</u>,

1	o Return documents to sender if applications are incomplete or further information
2	is required
3	 Manual data entry to complete the application and processing of the birth,
4	marriage, or death certificate,
5	DOH staff prepares each request for authentication for wet ink signature by the State
6	Registrar, followed by notarization and hand-written documentation of each notarization,
7	 Completed applications are hand-carried to the Office of the Lieutenant Governor,
8	o For countries that are not Hague Convention signatories, the completed
9	applications are instead hand-carried to the First Circuit Court of the Judiciary of
10	the State of Hawaii for certification, after which they are mailed from the
11	Judiciary to the Office of the Lieutenant Governor,
12	• The Office of the Lieutenant Governor makes the final authentication which are mailed to
13	the original requestor in the provided self-addressed stamped envelope.
14	• Note that only cash, money order, or cashier's check are accepted.
15	The Department of Health also notes that a statutory basis for issuing apostilles cannot be found
16	in Hawaii Revised Statutes, with the keyword search term "apostille" yielding one record for
17	section 503B-2, HRS, "Time Share Commissioners of Deeds," for which this measure will be
18	useful in assuring legal bases for these activities.
19	DOH looks forward to the ongoing conversation to memorialize apostilles in HRS, as well as
20	improving and modernizing the systems and processes that support it.
21	Thank you for the opportunity to testify.
22	Offered Amendments: N/A.