

ACT 119

H.B. NO. 1236

A Bill for an Act Relating to the Legislature.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. This Act implements the recommendation of the 2002 legislative salary commission in its report to the legislature and governor, that “the non-salary components of compensation for legislators ... be reviewed by the agencies/entities, which can effectuate changes to those items as appropriate.”

Article III, section 9 of the Hawaii Constitution provides: “The members of the legislature shall receive allowances reasonably related to expenses as provided by law[.]”

Each member of the legislature receives an allowance that, in 1987, was statutorily set at \$5,000. Expenditure of the allowance is strictly limited to incidental expenses connected with legislative duties, and legislators must account in writing to their respective house for each expenditure before funds are disbursed.

Legislators use the allowance to cover a wide range of costs related to the many duties and obligations of their office. The allowance is sometimes used to cover the costs of conferences, meetings, and other functions when these are a necessary part of the costs of performing official duties and representational activities. It may also be expended on equipment and other non-perishable items, which are used by the legislator during the legislator’s term of office, but are inventoried and retained as the property of the house or senate.

The most important function of the allowance, however, is to allow legislators to communicate with their constituents. The legislative allowance is primarily used by legislators to send constituents informational or survey material. It thus keeps constituents and legislators informed about the issues, helps legislators to identify and resolve constituent concerns, and allows legislators to support the preferences of their constituents in the legislative process. The legislative allowance

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permits legislators to maintain communication with their constituents, which is the foundation of our representative form of government.

The legislative allowance was last increased seventeen years ago, in 1987. Since then, inflation has significantly eroded its buying power and thus a legislator's ability to communicate with and represent the legislator's constituents.

According to the federal Department of Labor consumer price index inflation calculator, \$100 in 1987 had the same buying power as \$168.05 in 2004—an increase in price due to inflation of over sixty per cent. Had the legislative allowance kept pace with inflation, it should have been set at \$8,400 in 2004.

The purpose of this Act, which implements the recommendation of the 2002 legislative salary commission, is to support communication between legislators and their constituents, which is fundamental to our representative form of government.

This Act:

- (1) Increases the legislative allowance by fifty per cent, from \$5,000 to \$7,500, to adjust for inflation; and
- (2) Provides a mechanism by which the allowance may be regularly adjusted to account for increases in the price of goods and services.

SECTION 2. Section 24-1, Hawaii Revised Statutes, is amended to read as follows:

“§24-1 Allowance for incidental expenses. Each member of the legislature shall receive an annual allowance of [~~\$5,000,~~ \$7,500, which amount is to cover incidental expenses connected with legislative duties and the amount shall be payable in a manner prescribed by the respective rules of each house[-]; provided that when the legislative salary is increased, the legislative allowance shall be increased by the same percentage.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on January 18, 2006.

(Approved June 13, 2005.)