



THE HIGH ROAD

"Preserving public confidence in public servants."

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Hawaii State Ethics Commission

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2004 Legislation Proposed To Strengthen Ethics Laws

The Hawaii State Ethics Commission has asked the State Legislature to enact two measures that would strengthen Hawaii's ethics laws this year. The first measure is a bill that would authorize the State Ethics Commission to impose administrative fines of up to \$500 for violations of the State Ethics Code (*HB No. 2267* and *SB No. 2764*). The second measure is a bill that would prohibit any person from soliciting campaign contributions in state offices or buildings (*HB No. 2268* and *SB No. 2765*).

The Commission is also closely monitoring a number of other bills that are being considered by the Legislature, including the following:

Financial disclosure reporting. A bill that would require state officials who file financial disclosure statements to report all ownership interests in businesses and real property. The law currently requires only the reporting of ownership of businesses and real property that are located in the State. (*HB No. 2158* and *SB No. 2484*)

Gifts disclosure reporting. A bill that would lower the threshold amount for reporting gifts to the Hawaii State Ethics Commission from \$200 to \$100. (*HB No. 2941* and *SB No. 3200*)

Mandatory ethics training. A bill that would require mandatory ethics training for the Governor, Lieutenant Governor, legislators, certain elected state officials, and department heads and their deputies. (*HB No. 680, HD 1* and *SB No. 296, SD 1*)

Board and commission members seeking employment with their agencies. A bill that would require board and commission members to take a leave of absence when seeking employment from the agency over which their boards or commissions have oversight responsibilities. (*SB No. 3102*)

The Lobbyists Law: Frequently Asked Questions



What is the Lobbyists Law?

In Hawaii, lobbyists and organizations who employ them must disclose information about their lobbying activities under the State Lobbyists Law, Chapter 97, Hawaii Revised Statutes. The Hawaii State Ethics Commission administers this law, which has two basic requirements: First, it requires that lobbyists register with the Commission. Second, it requires that lobbyists and organizations who employ lobbyists disclose the amount of money spent on lobbying activities by filing expenditures and contributions statements with the Commission.

What is "lobbying" ?

"Lobbying" means communicating directly or through an agent, or soliciting others to communicate, with any official in the legislative or executive branch, for the purpose of influencing any legislative or administrative action or a ballot issue.

What is a "lobbyist" ?

For purposes of the Lobbyists Law, a "lobbyist" is an individual who is paid to lobby and who spends more than \$750 in any reporting period lobbying, or more than five hours in any month of a reporting period lobbying.

Do lobbyists have to register with the Hawaii State Ethics Commission?

Yes. If an individual meets the definition of a "lobbyist" under the law, then he or she must fill out a registration form and file it with the Hawaii State Ethics Commission. Lobbyists must register with the Commission within five days of becoming a lobbyist. They must re-register with the Commission every odd-numbered year.

What is an expenditures and contributions statement?

An expenditures and contributions statement is a report of money spent and received for the purpose of lobbying. The report includes amounts spent for the preparation of lobbying materials, media advertising, compensation paid

for a lobbyist's services, and other lobbying expenditures. The report also includes sources and amounts of contributions received for the purpose of lobbying.

Who is required to file lobbying expenditures and contributions statements?

Expenditures and contributions statements must be filed with the Hawaii State Ethics Commission by (1) each lobbyist, (2) each person who spends \$750 or more in a six-month period for the purpose of lobbying, and (3) each person who employs or contracts for the services of a lobbyist. Expenditures and contributions statements are due on January 31, March 31, and May 31 of each year.

Where can I learn more about the lobbying activities that go on in Hawaii?

Visit the Hawaii State Ethics Commission's website at www.hawaii.gov/ethics. The Lobbyists Law and additional information about the law are posted on the website. The website also maintains a list of all currently registered lobbyists and the expenditures and contributions statements of organizations that employ or hire lobbyists.

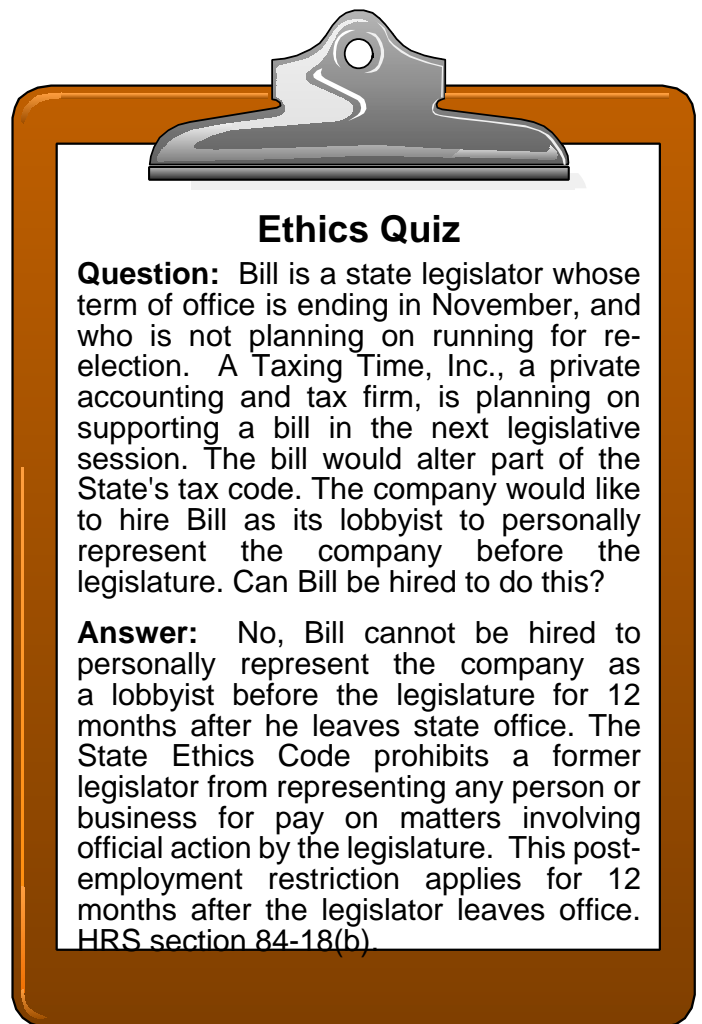
Delinquent Financial Disclosure Leads to Ethics Charge and Fine

The Hawaii State Ethics Commission issued an ethics charge against a state employee for failure to file a disclosure of financial interests as required by the State Ethics Code. The Commission also fined the employee \$50 for her failure to file a disclosure. The Commission has the authority to assess an initial \$50 fine and additional monetary penalties against an employee for failure to file a financial disclosure.

The Commission had expended a considerable amount of time and effort to have the employee file her financial disclosure. The employee did not respond to repeated reminders from the Commission's office. The employee also gave assurances, which she did not act upon, that she would be filing her disclosure.

The employee eventually submitted a financial disclosure statement to the Commission and paid the \$50 fine, but not until after her disclosure had become seriously delinquent and she had been charged and fined. In lieu of pursuing the charge through a hearing, the Commission issued the employee a written opinion to emphasize the requirements of the financial disclosure law and to ensure her future timely compliance.

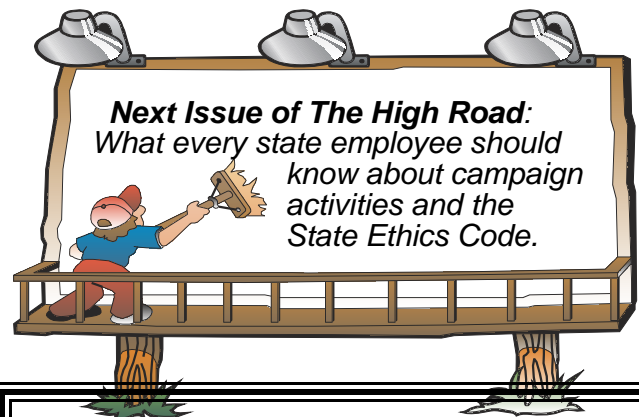
The Commission informed the employee that it would consider more serious proceedings against her in the future should she fail to file a required financial disclosure in a timely manner. (Informal Advisory Opinion No. 2004-1)



Ethics Quiz

Question: Bill is a state legislator whose term of office is ending in November, and who is not planning on running for re-election. A Taxing Time, Inc., a private accounting and tax firm, is planning on supporting a bill in the next legislative session. The bill would alter part of the State's tax code. The company would like to hire Bill as its lobbyist to personally represent the company before the legislature. Can Bill be hired to do this?

Answer: No, Bill cannot be hired to personally represent the company as a lobbyist before the legislature for 12 months after he leaves state office. The State Ethics Code prohibits a former legislator from representing any person or business for pay on matters involving official action by the legislature. This post-employment restriction applies for 12 months after the legislator leaves office. HRS section 84-18(b)



The High Road is a publication of the Hawaii State Ethics Commission.

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