



HAWAII STATE ETHICS COMMISSION

State of Hawaii • Bishop Square, 1001 Bishop Street, ASB Tower 970 • Honolulu, Hawaii 96813

Committee: Committee on Judiciary
Bill Number: H.B. 511, Relating to Ethics
Hearing Date/Time: February 9, 2017, 2:00 p.m.
Re: Testimony of the Hawaii State Ethics Commission in **SUPPORT**

Dear Chair Nishimoto and Committee Members:

The Hawaii State Ethics Commission (“Commission”) supports H.B. 511, which amends several provisions of the Lobbyists Law.

Section 2: amendments to HRS § 97-1 **Amends definitions of “lobbyist” and “lobbying”**

The Commission believes that the current standards for determining who must register as a lobbyist are both under- and over-inclusive. Currently, an individual must register as a lobbyist if s/he spends five or more hours lobbying in a month (for pay), or if the lobbyist spends \$750 or more in a reporting period. Some individuals may seek to influence many pieces of legislation through short meetings with lawmakers (thus claiming that they spend fewer than five hours a month lobbying); conversely, some individuals may have to register as lobbyists – even if they have no direct contact with lawmakers – if they spend more than five hours in a month preparing a Grant In Aid (“GIA”) application.

This section changes the definitions of “lobbyist” and “lobbying” to better effectuate the Legislature’s original intent in enacting the Lobbyist Law: to ensure transparency in the legislative process and to give the public information about who is spending money to influence legislation. This section provides that individuals who assist in preparing GIA applications – but who otherwise do not engage in “lobbying” – need not register as lobbyists. This section also provides several additional clear and objective thresholds – in addition to the five-hour threshold (which remains) – for determining who must register as a lobbyist.

Additionally, this section clarifies statutory language that, in the Commission’s experience, has led to confusion for those reporting their lobbying expenses. It is the Commission’s intention to propose administrative rules to make clear that purely administrative expenses need not be reported as lobbying expenditures, and that those engaged in purely administrative functions need not register as lobbyists.

Section 3: amendments to HRS § 97-2

Allowing organizations to terminate their lobbyists' registrations

Under current law, if a lobbyist stops lobbying on behalf of a client, the lobbyist must file a termination notice with the Commission within ten days. The lobbyist must do this personally – the organization cannot do this on behalf of the lobbyist. This is problematic in situations where an organization fires its lobbyist or where the lobbyist quits working, because if the lobbyist fails to file a notice of termination, the organization represented by the lobbyist must still file expenditure reports with the Commission. The proposed changes to this section will allow organizations to terminate their lobbyists' registrations when necessary.

Section 4: amendments to HRS § 97-3

Lobbyist expenditure statements

This section contains additional language making clear that the mere preparation of a GIA application does not constitute "lobbying" (such that no expenditure reports or registration statements are necessary for this activity). Lobbying in support of a GIA application, however, would still be reportable activity.

This section adjusts the reporting requirements for lobbying expenditures. It increases the threshold for reporting lobbying expenditures from \$750 to \$1,000; it clarifies that inter-state transportation costs must be reported (and, by implication, that intra-state transportation costs need not be reported); and it makes clear that lobbyists and their clients are only required to file reports for a Special Session of the Legislature if they engaged in lobbying activities during that Special Session.

Section 5: amendments to HRS § 97-4.5

Publication of list of lobbyists

This section amends the requirement (enacted in 1980) that the Ethics Commission publish a list of lobbyists; the Commission currently publishes all lobbyist registration statements on its website, and respectfully believes that this extra publication is unnecessary.

Thank you for your continuing support of the Commission's work and for considering the Commission's testimony on H.B. 511.

Very truly yours,

Daniel Gluck
Executive Director and General Counsel