

Honolulu, Hawaii
February 6, 2014

RE: H.B. No. 601
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 601 entitled:

"A BILL FOR AN ACT RELATING TO STANDARDS OF CONDUCT,"

begs leave to report as follows:

The purpose of this measure is to increase government transparency by amending government ethics and lobbyist laws to, among other things:

- (1) Prohibit a person from receiving private compensation for that person's internship with a legislator;
- (2) Prohibit any legislator or public employee from soliciting, accepting, or receiving any gift from a lobbyist or other specified persons interested in influencing government actions during certain time periods;
- (3) Prohibit lobbyists and specified persons interested in influencing government actions from offering or donating any gift during certain time periods, and subjecting any violators to administrative penalties with a maximum fine of \$500; and
- (4) Clarify that the prohibition on legislators or public employees soliciting, accepting, or receiving any gift when it can reasonably be inferred that the gift is



intended to influence the legislator or employee in the course of their official duties, excludes certain gifts, including testamentary and family gifts or those from non-profit organizations made up of government agencies or officers or out-of-state governments;

- (5) Extend the amount of time that must elapse following the end of a legislator's term in office before the former legislator may represent any person or business for pay on a matter in which the legislator took official action from twelve months to two years; and
- (6) Include in reporting requirements for lobbyists the receipt or expenditure of any money for the purpose of influencing the election or defeat of any candidate for any elective office or for the passage or defeat of any proposed legislation.

The League of Women Voters of Hawaii and Babes Against Biotech testified in support of this measure. The Hawaii State Ethics Commission provided comments.

Your Committee has amended this measure by:

- (1) Clarifying that the prohibition against receiving private compensation for an internship with a legislator includes compensation from a private entity as well as employer but does not include monies from a private university or college if the recipient is a student of the university or college and receives academic credit for the internship;
- (2) Defining the term "internship" as work, including volunteer work, performed for the legislature by a person who is not an employee of the State;
- (3) Deleting language that would have prohibited any legislator or public employee from soliciting, accepting, or receiving any gift from a lobbyist or other specified persons interested in influencing government actions during certain time periods;
- (4) Deleting language that would have prohibited any lobbyist or other specified persons interested in influencing government actions from offering or donating



any gift to a legislator or public employee during certain time periods;

- (5) Deleting language that would have clarified that the prohibition on legislators or public employers soliciting, accepting, or receiving any gift when it can reasonably be inferred that the gift is intended to influence the legislator or employee in the course of their official duties excludes certain gifts, including testamentary and family gifts or those from non-profit organizations made up of government agencies or officers or out-of-state governments;
- (6) Deleting language that would have extended the amount of time that must elapse following the end of a legislator's term of office before the former legislator may represent any person or business for pay on a matter in which the legislator took official action from twelve months to two years;
- (7) Deleting language that would have required lobbyists to include in their required reporting the receipt or expenditure of any money for the purpose of influencing the election or defeat of any candidate for any elective office or for the passage or defeat of any proposed legislation; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 601, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 601, H.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



