

SB2634



HAWAII STATE ETHICS COMMISSION

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

February 21, 2014

The Honorable, Clayton Hee, Chair
The Honorable, Maile S.L. Shimabukuro, Vice Chair
Senate Committee on Judiciary and Labor
Hawaii State Capitol, Room 016
415 South Beretania Street
Honolulu, Hawaii 96813

Re: **Testimony on S.B. No. 2634, Relating to Lobbyists**

Hearing: February 24, 2014, 10:15 a.m.
State Capitol, Conference Room 016

Testimony From: Hawaii State Ethics Commission

The Honorable Clayton Hee, Chair; The Honorable Maile S.L. Shimabukuro, Vice Chair;
and The Honorable Members of the Senate Committee on Judiciary and Labor:

Thank you for this opportunity to testify on S.B. No. 2634, Relating to Lobbyists. This bill amends Hawaii Revised Statutes (“HRS”) chapter 97, the Lobbyists Law, to require that lobbying expenditures and contributions statements, which are filed with the State Ethics Commission (“Commission”) by lobbyists and lobbying organizations,¹ contain a categorization of expenditures by dollar amount, described by nature and purpose, as determined by the Commission. The Commission supports S.B. No. 2634.

Currently, the Lobbyists Law requires only the reporting of total lobbying expenditures and does not require that those expenditures be categorized according to

¹ HRS section 97-3 reads:

§97-3 Contributions and expenditures; statement. (a) The following persons shall file a statement of expenditures with the state ethics commission on March 31, May 31, and January 31 of each year:

- (1) Each lobbyist.
- (2) Each person who spends \$750 or more of the person’s or any other person’s money in any six-month period for the purpose of attempting to influence legislative or administrative action or a ballot issue by communicating or urging others to communicate with public officials; provided that any amounts expended for travel costs, including incidental meals and lodging, shall not be included in the tallying of the \$750.
- (3) Each person who employs or contracts for the services of one or more lobbyists, whether independently or jointly with other persons. If the person is an industry, trade, or professional association, only the association is the employer of the lobbyist.

their nature and purpose.² For example, if a lobbying organization spends \$1,000 on a media advertisement and \$500 on a consultant, the lobbying organization is only required to report that it spent a lump sum of \$1,500. This bill would amend the law to require the categorization of lobbying expenditures.

The Commission believes that categorizing lobbying expenditures will provide greater transparency and more meaningful information to the public. Although the Commission's expenditures report forms include a number of categories that filers are asked to use when reporting lobbying expenditures,³ this categorization is not currently required by the Lobbyists Law. The Commission believes that the categorization would assist the public in its understanding of expenditures that are made by lobbyists and lobbying organizations seeking to influence legislative action.

We appreciate the opportunity to testify on S.B. No. 2634, Relating to Lobbyists. We would like to thank the Committee for its consideration of our testimony.

² HRS section 97-3(c)(3) states:

§97-3 Contributions and expenditures; statement. (c) The statement shall contain the following information:

(3) The total sum or value of all expenditures for the purpose of lobbying made by the person filing the statement during the statement period in excess of \$750 during the statement period. . . .

³ The lobby expenditures and contributions statement requests filers to report expenditures in ten categories:

1. Preparation and distribution of Lobbying Materials
2. Media Advertising
3. Postage
4. Compensation Paid to Lobbyists
5. Fees Paid to Consultants (Other than to Lobbyists)
6. Entertainment and Events
7. Receptions, Meals, Food and Beverages
8. Gifts
9. Loans
10. Other Disbursements

The Commission assumes that this bill contemplates a categorization of this type, although the language of the bill is not entirely clear.



49 South Hotel Street, Room 314 | Honolulu, HI 96813
www.lwv-hawaii.com | 808.531.7448 | voters@lwv-hawaii.com

Committee on Judiciary and Labor

Chair Clayton Hee
Vice-Chair Maile Shimabukuro

Monday, February 24, 2014, 10:15 AM, Conference Room 016

SB2634 Lobbyists; Expenditure Reporting

Testimony in SUPPORT
Wynnie Hee, LWV-HI Legislative Committee Member

Chair Hee, Vice-Chair Shimabukuro, and Committee Members:

The League of Women Voters of Hawaii supports transparency and disclosure, policies that increase the public's trust in the ethical operation of our government. Therefore, **we wholeheartedly support SB2634** which amends Section 97-3, Hawaii Revised Statutes, to require "individuals who spend more than \$750 on lobbying during a statement period to categorize each expenditure by dollar amount and describe each expenditure by nature and purpose, as determined by the state ethics commission."

At the start of the last year's legislative session in January 2013, *Civil Beat* investigative reporter Nathan Eagle wrote a three-part series* examining Hawaii's outdated lobbyist disclosure law and what could be learned from other states to improve our oversight of lobbyists.

Hawaii had been graded D- for lobbying disclosure, according to a nationwide project evaluating accountability of state governments to their citizens. Reporter Eagle noted: "Unlike many other states, Hawaii requires very little information from those who lobby as well as those who get lobbied. Lobbyists' reports are limited to revealing total dollar amounts spent lobbying and specifying what issue is being lobbied."

Obviously, merely knowing a total dollar amount is not very useful to anyone trying to "follow the money." SB2634 attempts to finally address this deficiency in lobbyist reporting requirements.

Last year in June 2013, after the end of the legislative session and no bill to require more information from lobbyists had been given a hearing, an Associated Press story about Hawaii's almost useless lobbyist reports was published not just in our *Honolulu Star-Advertiser* but also

on the Internet on *Yahoo News*.** The article was featured as “infotainment” with the headlines: “Hawaii lobbyist reports say little about influence of money on Hawaii politics; most report \$0”

AP reporter Anita Hofschneider joked: *“Lobbyist disclosures in Hawaii may be a misnomer — the records don’t disclose much.*

“Hardly any individual lobbyists reported spending even \$1 schmoozing Hawaii lawmakers early in the recent legislative session, making it all but impossible for state residents to tell from the filings how special interest groups are affecting state legislators.

“Lobbyists haven’t stopped wining and dining elected officials in the Aloha State, but a combination of outdated state laws, wide loopholes and lax oversight has created an environment where disclosure reports say little about how much is money spent, who is spending it and which lawmakers are being courted most often.”

The League of Women Voters of Hawaii urges you to take this small step toward updating our lobbying law and increasing disclosure and transparency. Please PASS SB2634.

Thank you for hearing this lobbying disclosure bill and allowing us an opportunity to testify.

* <http://www.civilbeat.com/articles/2013/01/22/18002-is-it-time-to-beef-up-hawaiis-lax-lobbying-law/>

<http://www.civilbeat.com/articles/2013/01/23/18008-lobbying-reform-is-a-tough-sell-in-hawaiis-legislature/>

<http://www.civilbeat.com/articles/2013/01/24/18153-lobbying-lessons-what-hawaii-can-learn-from-other-states/>

**<http://news.yahoo.com/lobbyist-reports-little-influence-hawaii-150938962.html>

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: toddhairgrove@hotmail.com
Subject: *Submitted testimony for SB2634 on Feb 24, 2014 10:15AM*
Date: Thursday, February 20, 2014 6:38:52 PM

SB2634

Submitted on: 2/20/2014

Testimony for JDL on Feb 24, 2014 10:15AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Todd Hairgrove	Individual	Support	Yes

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [JDL Testimony](#)
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB2634 on Feb 24, 2014 10:15AM*
Date: Thursday, February 20, 2014 7:23:16 PM

SB2634

Submitted on: 2/20/2014

Testimony for JDL on Feb 24, 2014 10:15AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: jeannine@hawaii.rr.com
Subject: *Submitted testimony for SB2634 on Feb 24, 2014 10:15AM*
Date: Thursday, February 20, 2014 8:59:47 PM

SB2634

Submitted on: 2/20/2014

Testimony for JDL on Feb 24, 2014 10:15AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Jeannine Johnson	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: maumagic5711@hotmail.com
Subject: *Submitted testimony for SB2634 on Feb 24, 2014 10:15AM*
Date: Saturday, February 22, 2014 3:34:47 PM

SB2634

Submitted on: 2/22/2014

Testimony for JDL on Feb 24, 2014 10:15AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Ann Evans	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: claudiarice25@gmail.com
Subject: *Submitted testimony for SB2634 on Feb 24, 2014 10:15AM*
Date: Saturday, February 22, 2014 3:41:45 PM

SB2634

Submitted on: 2/22/2014

Testimony for JDL on Feb 24, 2014 10:15AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
claudia rice	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: paulakomarajr@yahoo.com
Subject: Submitted testimony for SB2634 on Feb 24, 2014 10:15AM
Date: Saturday, February 22, 2014 4:34:41 PM

SB2634

Submitted on: 2/22/2014

Testimony for JDL on Feb 24, 2014 10:15AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Paul A. komara, Jr.	Individual	Support	No

Comments: Since our "Trusted Servants" cannot be honest, this legislation will support transparency of the legislator lobbyist relationships... We The People have a right to know how our legislators acquire their political war chests...Aloha, Paul

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov