

Honolulu, Hawaii

APR 04 2017

RE: H.B. No. 511
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
H.B. No. 511, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LOBBYISTS,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the
lobbying laws under chapter 97, Hawaii Revised Statutes, by:

- (1) Amending the definition of "expenditure" to:
 - (A) Exclude any amounts expended for intrastate travel costs of certain individuals, or by a nonprofit organization to prepare and submit an application for a grant pursuant to chapter 42F, Hawaii Revised Statutes, and for each employee of the nonprofit organization to lobby a maximum of ten hours in a month for that application; and
 - (B) Repeal language that excludes expenses for preparing written testimony and exhibits for a hearing before the Legislature or an administrative agency;
- (2) Clarifying that the definition of "lobbying" does not include the preparation and submission of a grant



application pursuant to chapter 42F, Hawaii Revised Statutes, by a representative of a nonprofit organization;

- (3) Amending the definition of "lobbyist" to:
 - (A) Specify certain circumstances in which an individual is considered a lobbyist and subject to chapter 97, Hawaii Revised Statutes; and
 - (B) Exclude an employee of a nonprofit organization who spends fewer than ten hours in any month lobbying on a grant application submitted pursuant to chapter 42F, Hawaii Revised Statutes;
- (4) Authorizing the person who employed or contracted for the services of a lobbyist to file a notice of termination for the lobbyist if the lobbyist fails to do so, and clarifying that the lobbyist and the person who employed or contracted for the services, rather than the employer, of the lobbyist remain subject to chapter 97, Hawaii Revised Statutes, during the period for which the lobbyist's registration is effective;
- (5) Requiring any person who makes expenditures of \$1,000 or more, rather than spends \$750 or more, of the person's or any other person's money in any reporting period under 97-3, Hawaii Revised Statutes, for the purpose of lobbying to file a statement of expenditures with the State Ethics Commission;
- (6) Specifying the requirements of the expenditure report required to be filed with the State Ethics Commission within thirty days after adjournment sine die of a special session of the Legislature;
- (7) Clarifying that the statement of expenditures includes, among other items, the total sum or value of all expenditures for the purpose of lobbying made by the person filing the statement during the statement period, rather than only the expenditures in excess of \$750 during the statement period, and adding, as an itemized



expenditure, interstate transportation, including incidental meals and lodging; and

- (8) In lieu of requiring a list of registered lobbyists and names of the persons whom they represent to be published, requiring all lobbyist registration statements to be posted on the State Ethics Commission's website within a reasonable time after filing and allowing the statements to be removed from the website after four years.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission, Hawai'i Public Health Institute, Hawai'i Alliance of Nonprofit Organizations, Common Cause Hawaii, and League of Women Voters of Hawaii. Your Committee received comments on this measure from Catholic Charities of Hawai'i.

Your Committee finds that this measure updates and streamlines the lobbying laws under chapter 97, Hawaii Revised Statutes, to provide consistency in the administration and enforcement of lobbying activities in Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying that a lobbyist is an individual who:
 - (A) Receives or expects to receive, either by employment or contract, \$1,000 or more, rather than more than \$1,000, in monetary or in-kind compensation in any calendar year;
 - (B) For pay or other consideration, on behalf of another person, engages in lobbying on an unspecified number of, rather than three or more, bills, resolutions, or both, during any legislative session; and
 - (C) For pay or other consideration, on behalf of another person, makes expenditures of \$1,000 or more, rather than more than \$1,000, of the person's or any other person's money lobbying during any



reporting period required under section 97-3,
Hawaii Revised Statutes;

- (2) Inserting language from H.B. No. 508, H.D. 1 (Regular Session of 2017), that amends section 97-7, Hawaii Revised Statutes, to increase the maximum administrative fine from \$500 to \$1,000 for each violation of chapter 97, Hawaii Revised Statutes;
- (3) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 511, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 511, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,


GILBERT S.C. KEITH-AGARAN, Chair



