

HB 511, HD1

RELATING TO LOBBYISTS

Clarifies the laws governing lobbyists by amending the definitions of "expenditure," "lobbyist," and "lobbying." Allows a former employer of a lobbyist to file a notice of termination of employment. Amends requirements for reports covering special sessions of the Legislature. Requires the posting of lobbyist registration statements on the State Ethics Commission's website within a reasonable time after filing and the posting shall remain on the website for at least four years. (HB511 HD1)



HAWAII STATE ETHICS COMMISSION

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

Committee: Committee on Judiciary and Labor
Bill Number: H.B. 511, HD1 Relating to Ethics
Hearing Date/Time: March 17, 2017, 9:00 a.m.
Re: Testimony of the Hawaii State Ethics Commission in **SUPPORT**

Dear Chair Keith-Agaran and Committee Members:

The Hawaii State Ethics Commission (“Commission”) supports H.B. 511, HD1, which amends several provisions of the Lobbyists Law.

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

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 “expenditure,” “lobbying,” and “lobbyist” 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 excludes 10 hours a month of lobbying time by employees of non-profit organizations (but not outside, hired lobbyists) relating to GIA applications. 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. Among other things, this section makes clear that intra-state travel costs need not be reported as lobbying expenditures. Furthermore, the Commission intends 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 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 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, HD1.

Very truly yours,

Daniel Gluck
Executive Director and General Counsel



Date: March 15, 2017

To: The Honorable Gilbert S.C. Keith-Agaran, Chair
The Honorable Karl Rhoads, Vice Chair
Members of the Senate Committee on Judiciary and Labor

From: Jessica Yamauchi, Executive Director, Hawai'i Public Health Institute

Re: **Support for HB 511, HB1 Relating to Lobbyists**

Hrg: March 17, 2017 at 9:00 am at Conference Room 016

Thank you for the opportunity to offer testimony in support of HB511, HD1 Relating to Lobbyists, specifically relating to Section 97-2 subsection (d).

The Hawai'i Public Health Institute (HIPHI) is a non-profit organization working to make Hawai'i the healthiest place on earth.

As the executive director of a non-profit agency, I am required to sign lobbyist registration forms for those who I am giving authority to lobby on behalf of the organization. However, should the need arise, I am currently unable to revoke an employee's ability to lobby on behalf of the organization. I feel this is a loophole in our current law and in order to protect organizations an employer needs to be able to terminate a lobbyist's registration if the lobbyist does not do so on their own.

Thank you for the opportunity to provide testimony.

A handwritten signature in black ink that reads 'Jessica Yamauchi'.

Jessica Yamauchi, MA
Executive Director



**Testimony to the Judiciary and Labor Committee
Senator Gilbert Keith -Agaran, Chair
Senator Karl Rhoads, Vice Chair
Friday, March 17, 2017, 9:00 a.m.
Conference Room 016
HB 511, HD 1 - Relating to Lobbyists**

Dear Chair Keith-Agaran, Vice Chair Rhoads and members of the JDL Committee:

On behalf of the Hawai'i Alliance of Nonprofit Organizations, I would like to offer our comments in **support of HB 511, HD 1** relating to lobbyists.

Hawai'i Alliance of Nonprofit Organizations (HANO) is a statewide, sector-wide professional association of nonprofits. Our mission is to unite and strengthen the nonprofit sector as a collective force to improve the quality of life in Hawai'i. Our member organizations provide essential services to every community in the state.

HANO appreciates the efforts being made by the Hawaii State Ethics Commission to provide clarity in the existing law around what constitutes lobbying. We offer several comments:

- We appreciate the added definitions of what constitutes lobbying in Section 97-1, for greater clarification and understanding.
- We strongly support the clarification that time spent *applying* for grants like a Grant In Aid, does **not** constitute lobbying time.

Thank you for the opportunity to provide testimony in support of these changes.

Mahalo,
Lisa Maruyama
President & CEO



Senate Judiciary Committee
Chair Keith Agaran, Vice Chair Karl Rhoads

03/17/2017 9:00 AM Room 016
HB511 HD1 – Relating to Lobbyists

TESTIMONY / SUPPORT
Corie Tanida, Executive Director, Common Cause Hawaii

Dear Chair Keith-Agaran, Vice Chair Rhoads, and members of the committee:

Common Cause Hawaii supports HB511 HD1 which would update our lobbyist law by amending certain definitions, amending reporting requirements, and amending how lobbyist registration statements are posted.

We believe this bill proposes changes that are long overdue, particularly the provisions that allow organizations to terminate their lobbyists' registrations, increase the lobbyist expenditure threshold, and make it clear that the preparation of Grant In Aid applications does not constitute lobbying. We believe that HB511 HD1 will provide much needed and desired clarity for lobbyists and those enforcing the ethics code.

Thank you for the opportunity to offer testimony **supporting HB511 HD1**.



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FRIDAY, March 17, 2017, 9:00 a.m., Room 325
HB 511, HD1, RELATING TO LOBBYISTS

TESTIMONY

Janet Mason, Legislative Committee, League of Women Voters of Hawaii

Chair Keith-Agaran, Vice-Chair Rhoads and Committee Members:

The League of Women Voters of Hawaii supports HB 511, HD1 which clarifies laws governing lobbyists by amending the definitions of "expenditure," "lobbyist," and "lobbying." The bill would also allow a former employer of a lobbyist to file a notice of termination of employment, and amend requirements for reports covering special sessions of the Legislature. New under our lobbying law would be a provision that requires the posting of lobbyist registration statements on the State Ethics Commission's website within a reasonable time after filing with the posting remaining on the website for at least four years.

This measure addresses practical problems for individuals filing lobbyist reports, eliminating misunderstandings which have arisen about the meaning of reporting requirements. We applaud this approach, which should make it even easier for filers to cooperate with the Ethics Commission.

Citizens would have more access to lobbyist filings if they were on the Commission's website for four years. Here we see good prospects for analyzing such data like data analysis now available to the public through the Campaign Spending Commission's website. Enhanced publication of lobbyist reports is a step toward promoting ethical conduct, thereby maintaining public confidence in government,

Thank you for the opportunity to submit testimony.



CATHOLIC CHARITIES HAWAII

TO: Senator Gilbert S.C. Keith-Agaran, Chair
Senator Karl Rhoads, Vice Chair
Committee on Judiciary and Labor

FROM: Terrence L. Walsh, Jr., President and Chief Executive Officer

DATE: Friday, March 17, 2017 (9:00 a.m., Room 016)

RE: **HB 511, HD1 Relating to Lobbyists**

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 60 years. CCH has programs serving elders, children & families, developmentally disabled, homeless and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i.

CCH would like to provide the following **COMMENTS** regarding HB 511, HD1, Relating to Lobbyists.

- (Page 4, line 20 to Page 5, line 3) We recommend that the following proposed language be **DELETED**:
 - (B) Engages in lobbying in excess of ten hours during any calendar year;
 - (C) Engages in lobbying on three or more bills, resolutions, or both, during any legislative session”

The above language would increase the number of individuals who would be required to register as “lobbyists”. This would appear to discourage, rather than encourage, organizations and individuals to participate in the legislative process.

Also, please note that lobbying on three or more bills may actually be pertaining to one issue due to companion bills, bills with similar language/intent, etc.

- We strongly **SUPPORT** the bill’s language which clarifies that applying for a Grant In Aid, is **NOT** considered lobbying.
- We also strongly **SUPPORT** the bill’s language to allow “the person who employed or contracted for the services of the lobbyist” to also file a notice of termination, should a lobbyist cease lobbying activity which required registration.

Catholic Charities Hawai`i
Testimony on HB 511, HD1, Relating to Lobbyists
Senate Committee on Judiciary and Labor
Friday, March 17, 2017 (9:00 a.m. Room 016)
Page 2 of 2

Thank you for this opportunity to provide comment on HB 511, HD1. For more information or questions, please contact Diane Terada, Division Administrator, at 527-4702 or via email at diane.terada@catholiccharitieshawaii.org.