



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



House Judiciary Committee
Chair Scott Nishimoto, Vice Chair Joy San Buenaventura

02/09/2017 2:00 PM Room 325
HB511 – Relating to Lobbyists

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

Dear Chair Nishimoto, Vice Chair San Buenaventura, and members of the House Judiciary Committee:

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

This housekeeping bill proposes changes that are long overdue and will provide clarity for lobbyists and those enforcing the ethics code.

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



Date: February 8, 2017

To: The Honorable Scott Y. Nishimoto, Chair
The Honorable Joy A. San Buenaventura, Vice Chair
Members of the House Committee on Judiciary

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

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

Hrg: February 9, 2017 at 2:00 pm at Conference Room 325

Thank you for the opportunity to offer testimony in support of HB511, 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 Committee
Representative Scott Nishimoto, Chair
Representative Joy San Buenaventura, Vice Chair
Thursday February 9, 2017, 2:00 p.m.
Conference Room 325
HB 511 - Relating to Lobbyists**

Dear Chair Nishimoto, Vice Chair San Buenaventura and members of the JUD Committee:

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



CATHOLIC CHARITIES HAWAII

LATE

TO: Representative Scott Y. Nishimoto, Chair
Representative Joy A. San Buenaventura, Vice Chair
Committee on Judiciary

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

DATE: Thursday, February 9, 2017 (2:00 p.m., Room 325)

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

- We recommend that the following language be **DELETED**. The bill is currently adding this language to Section 97-1, HRS, the criteria to be considered as a "lobbyist":
 - (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, Relating to Lobbyists
House Committee on Judiciary
Thursday, February 9, 2017 (2:00 p.m. Room 325)
Page 2 of 2

Thank you for this opportunity to provide comment on HB 511. For more information or questions, please contact Diane Terada, Division Administrator, at 527-4702.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 1:28 PM
To: JUDtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for HB511 on Feb 9, 2017 14:00PM*

Follow Up Flag: Follow up
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HB511

Submitted on: 2/7/2017

Testimony for JUD on Feb 9, 2017 14:00PM in Conference Room 325

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.

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