

STAND. COM. REP. NO.

2764

Honolulu, Hawaii

**FEB 29 2024**

RE: S.B. No. 2219

S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 2219 entitled:

"A BILL FOR AN ACT RELATING TO LOBBYING,"

begs leave to report as follows:

The purpose and intent of this measure is to enhance government transparency by:

- (1) Establishing certain presumptions regarding testimony when given by a lobbyist;
- (2) Making certain contracts voidable when entered into in violation of state lobbying law; and
- (3) Expanding the definition of "lobbying" in section 97-1, Hawaii Revised Statutes, to include certain communications with high-level government officials regarding procurement decisions.

Your Committee received testimony in support of this measure from the Hawai'i State Ethics Commission and League of Women Voters of Hawaii.

Your Committee received testimony in opposition to this measure from the Hawai'i Alliance of Nonprofit Organizations.



Your Committee received comments on this measure from the Grassroot Institute of Hawaii.

Prior to decision making on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by:

- (1) Deleting language that would have required legislators and state employees to report to the ethics commission potential ethics violations that they know of, or reasonably should know of, including any instance of actual or attempted contact or solicitation by an unregistered lobbyist in violation of chapter 97, Hawaii Revised Statutes;
- (2) Deleting language clarifying that a communication with any official in the legislative or executive branch, for the purpose of attempting to influence rules or other actions governed by section 91-3, Hawaii Revised Statutes, is considered "lobbying";
- (3) Deleting language that would have included as "lobbying" a communication with the governor, lieutenant governor, legislators, or the director, deputy director, or member of the governing board of an administrative agency, outside any public hearing, for the purpose of attempting to influence:
  - (A) The solicitation or award of a contract or proposal before an administrative agency, if any of the communications are not authorized by chapter 103D or chapter 103F, Hawaii Revised Statutes;
  - (B) Staffing or appointment decisions regarding specific positions at an administrative agency;
  - (C) The development or modification of an administrative agency's written report or statement of policy; or
  - (D) A specific contested case hearing, rate proceeding, or other quasi-judicial proceeding before an administrative agency; provided that the



communication is not governed by chapter 91 or chapter 269, Hawaii Revised Statutes;

- (4) Inserting language including communications with any person identified in section 84-17(d), Hawaii Revised Statutes, concerning the solicitation or award of a contract or proposal before an administrative agency, or a potential future vendor relationship with an administrative agency, if any of the communications are not governed by section 103D or section 103F, Hawaii Revised Statutes, as "lobbying";
- (5) Inserting language clarifying that communications about a request for proposals, contract, or vendor relationship are not considered "lobbying" if they are initiated by a legislator or state employee;
- (6) Deleting language that would have repealed the definition of "administrative action" in section 97-1, Hawaii Revised Statutes;
- (7) Amending section 1 to reflect its amended purpose; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawai'i State Ethics Commission.

Your Committee received testimony in opposition of the proposed S.D. 1 from the Hawai'i Federation of Republican Women, Godwits Mercy Inc., and more than one hundred forty individuals.

Your Committee received comments on the proposed S.D. 1 from the Grassroot Institute of Hawaii and two individuals.

Your Committee finds that transparent disclosure of lobbying activities is in the public interest. Under the existing lobbying law, chapter 97, Hawaii Revised Statutes, "lobbying" an administrative agency only regards formal rulemaking or other actions governed by section 91-3, Hawaii Revised Statutes. This measure will promote government transparency by providing the public with additional information regarding lobbying at the



administrative agency level and promote a level playing field for all businesses.

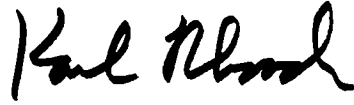
Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Deleting language that would have created a presumption that an individual submitting testimony or engaging in lobbying activities is acting on behalf of a paying person rather than in an individual capacity unless the testimony pertains to a subject not relevant to the paying person;
- (2) Inserting language creating a presumption that any individual with a substantial ownership interest in or a paid employee, officer, or director of an organization, who actively participates in lobbying activities that directly benefit that organization, is receiving compensation from the organization for their lobbying efforts;
- (3) Replacing the term "transaction" with "contract";
- (4) Deleting language that would have amended the definition of "lobbyist" to include any individual who submits testimony ten or more times during any calendar year;
- (5) Amending section 1 to reflect its amended purpose; and
- (6) 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 that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2219, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2219, S.D. 1, and be placed on the calendar for Third Reading.



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



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KARL RHOADS, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Judiciary**  
**JDC**

Bill / Resolution No.:*	Committee Referral:	Date:
SB 2219	JDC	02   15   24

The Committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312    
  Pass, with amendments 2311    
 Hold 2310    
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
GABBARD, Mike (VC)				✓
ELEFANTE, Brandon J.C.	✓			
SAN BUENAVENTURA, Joy A.	✓			
AWA, Brenton			✓	
<b>TOTAL</b>	3	ϕ	1	1

Recommendation:    
 Adopted    
 Not Adopted

Chair's or Designee's Signature:  


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**\*Only one measure per Record of Votes**