

SB2629



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
415 South Beretania Street
Honolulu, Hawaii 96813

Re: **Testimony on S.B. No. 2629, 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. 2629, Relating to Lobbyists. This bill amends Hawaii Revised Statutes (“HRS”) chapter 97, the Lobbyists Law, to require an additional reporting period to cover those times when the legislature convenes a special session. The Commission supports the intent of this bill but has some concerns about the language of the bill and offers alternative language.

Currently, the Lobbyists Law requires lobbyists and lobbying organizations that meet threshold criteria¹ to file lobbying expenditures and contributions statements three times per year. One report covers the beginning of session, one covers the end of

¹ HRS section 97-3(a) requires the following individuals and organizations to file a statement of lobbying expenditures and contributions:

- (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.

session, and one covers the off-session period.² S.B. No. 2629 will require lobbyists to file an additional statement within ten days of the close (or sine die) of any special session. The Commission agrees that the filing of this additional report will provide more timely reporting of lobbying expenditures and contributions and will promote greater transparency.

The Commission, however, believes that some of the language is unclear. For example, the bill, at section (a)(1), requires lobbyists who lobby “ninety days prior to the convening of a special session or through sine die of that special session, or both” to file an additional statement. First, the Commission suggests that all lobbying expenditures made and contributions received from the end of the prior period (i.e., from May 1) through the conclusion of the special session should be reported. Second, the bill is unclear whether the reporting is required of lobbyists who and organizations which are lobbying on matters unrelated to the special session. As written, it appears that those lobbyists are required to file an additional report whenever there is a special legislative session.

The Commission suggests that the creation of a new and separate section within the Lobbyists Law to accomplish the bill’s intent is unnecessary and may create unnecessary confusion. The Commission suggests that, instead of an entirely new section in the Lobbyist Law, the bill simply amend HRS section 97-3 to add an additional reporting period when there is a special session. The Commission suggests the bill in its entirety be replaced with the following amendments to HRS section 97-3(a) and 97-3(b):

§ 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, and within ten days of sine die of any special session of the legislature:

- (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.

² HRS section 97-3 sets mandates three lobbying reporting periods:

1. The period of January 1 through the last day of February; report due on March 31.
2. The period of March 1 through April 30; report May 31.
3. The period of May 1 through December 31; report due on January 31.

- (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.

(b) The March 31 report shall cover the period from January 1 through the last day of February. The May 31 report shall cover the period from March 1 through April 30. The January 31 report shall cover the period from May 1 through December 31 of the previous year. The report to be filed within 10 days after a special session of the legislature shall cover the period from May 1 through the sine die of the special session, provided that the report required by subsection (a) shall only be apply to those whose expenditures and contributions relate to any legislative action considered during that special session and provided further that the special session report shall include only those expenditures and contributions relating to such legislative action.

The Commission believes that this language achieves the intent of the bill in a clearer and simpler manner.

We appreciate the opportunity to testify on S.B. No. 2629, Relating to Lobbyists. We would like to thank the Committee for is consideration of our testimony.



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Committee on Judiciary and Labor

Chair Clayton Hee
Vice-Chair Maile Shimabukuro

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

SB2629 Lobbyists; Statement of Expenditures; Special Session

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 the timely disclosure of money spent to influence legislation; therefore, **we stand in support of SB2629** which would amend Chapter 97, Hawaii Revised Statutes, relating to the filing of lobbyist expenditure reports for special sessions as well as amending the definition of "lobbyist."

The need for this amendment became apparent because of last fall's special session which drew over 20,000 individual testifiers and scores of organizations including religious groups, unions, and professional and civic groups. Conceivably, many persons and groups that never would have considered themselves lobbyists and had never spent money to influence legislation -- did so for the first time preceding and during the special session. Thus, the necessity to spell out what constitutes a lobbyist.

Since the third reporting period for lobbyists spans eight months, May through December, this amendment obviously increases the timeliness of reporting of money spent before and during special sessions by individual lobbyists as well as by industry, trade or professional organizations which spend money to influence legislation.

We expect the proposed amendments are not controversial, and we urge you to PASS SB2629. Thank you for this opportunity to submit testimony.

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Subject: *Submitted testimony for SB2629 on Feb 24, 2014 10:15AM*
Date: Thursday, February 20, 2014 6:38:08 PM

SB2629

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:

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SB2629

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:

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SB2629

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

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