



HAWAII STATE ETHICS COMMISSION

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

March 19, 2015

The Honorable Karl Rhoads, Chair
The Honorable Joy A. San Buenaventura, Vice Chair
Honorable Members
House Committee on Judiciary
Hawaii State Capitol, Room 305
415 South Beretania Street
Honolulu, Hawaii 96813

Re: **S.B. No. 1194, S.D. 2, Relating to Lobbyists**

Hearing: Thursday, March 19, 2015, 2:00 p.m.
State Capitol, Conference Room 329

The State Ethics Commission (“Commission”) has strong concerns about S.B. No. 1194, S.D. 2, which will require lobbyists and lobbying organizations to “electronically transmit” all required registration statements and expenditure reports, and requires the Commission to post all of the filings on its website in a “text searchable” format that can be downloaded in a spreadsheet form.

Currently, all registration statements and expenditure reports filed pursuant to the State Lobbyists Law, HRS chapter 97, are public records.¹ Moreover, all of the registration statements and expenditure reports are posted on the Commission’s website as soon as practicable and, generally, within 5 working days of receipt (<http://ethics.hawaii.gov/>).

The Commission currently has an “electronic filing” system that allows a user to complete a fillable pdf form and to email that form to the Commission via the Commission’s website. Although the Commission prefers that lobbyists and organizations file reports “electronically,” i.e., via the Commission’s website, it currently is not required. The Commission scans all of the paper format documents that it receives, including lobbying-related filings, and maintains those records in digital form. There is a significant administrative savings when records are transmitted to the Commission electronically.²

¹ HRS section 97-4(2).

² The Commission receives approximately 1,700 expenditure reports annually. Lobbyists and organizations involved in lobbying activities must file expenditure reports on March 31, May 31, January 31, and if there is a special legislative session, 30 days after the special session is adjourned. The Commission also receives approximately 300 registration statements from lobbyists.

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The “electronic filing” system that the Commission has implemented, however, does not work well. The Commission currently is requesting an appropriation to develop and implement an electronic filing system that works.³ Based on price quotations the Commission has received, the Commission estimates that it will require \$130,000 to develop and implement an electronic filing system. Unless the legislature appropriates sufficient funds to allow the Commission to create a system to allow and support filers’ electronically transmitting the required filings, the Commission cannot implement the requirements of the bill.

Assuming that a means to successfully receive electronically transmitted reports is developed and implemented, the Commission suggests that it is unnecessary and an undue burden to require the Commission to promulgate administrative rules to prescribe “the form and manner” by which the documents must be filed. The Lobbyists Law already provides that the Commission shall prescribe forms for the filings required by the law and shall establish procedures for implementing the filing requirements.⁴ In light of this, the Commission suggests that the bill’s administrative rules requirement be deleted.

The Commission also has concerns about the bill’s requirement that the filings be available on its website for no less than four years. Currently, the Commission posts the lobbyists’ registration statements and the expenditure reports filed during the two-year registration period.⁵ The Commission suggests that maintaining more statements and reports on its website may create confusion. The Commission is further concerned that the filings of certain lobbyists and organizations may be removed after the four-year period but the filings of other lobbyists and organizations for the same reporting periods may continue to be posted because they were received after the other filings (e.g., some may have been filed late).

With respect to the requirement that the filings that are made available through the Commission’s website be “text searchable” and “available for download in a spreadsheet format,” the Commission simply needs sufficient funds to ensure that it is able to satisfy the bill’s mandate. Absent sufficient funds, the Commission may not be able to implement the bill’s requirements.

If the Committee believes that it is appropriate to require lobbyists and organizations to electronically transmit reports, the Commission suggests that the Committee consider implementing a “filing fee” to help with the maintenance and support of the system.

Thank you for considering the Commission’s testimony.

³ See S.B. No. 996, S.D.2, Relating to Ethics.

⁴ HRS section 97-6(a)((2).

⁵ Lobbyists must renew their registrations with the Commission biennially, every odd-numbered year.



House Judiciary Committee
Chair Karl Rhoads, Vice Chair San Buenaventura

Thursday 03/19/2015 at 2:00 PM in Room 329
SB1194 SD2 Relating to Lobbyists

TESTIMONY OF SUPPORT
Carmille Lim, Executive Director, Common Cause Hawaii

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

Common Cause Hawaii supports SB1194 SD2, which requires the electronic filing of lobbyist disclosure statements, and requires that these statements be posted online.

Searching and accessing lobbyist disclosure statements has been among the top issues for Common Cause members in the past year.

While lobbyist expenditures are currently done through “electronic filing”, it is done so in an antiquated format. That is: these reports can be filed via emailing a pdf form online, which is not searchable, and its data cannot be extracted in spreadsheet formats-- thus making it more difficult for interested citizens to analyze available data. Ideally, we would have an electronic system that would require electronic filing and data input capabilities that would give citizens the ability to search, extract, and analyze lobbyist disclosure statements and relevant data filed with the Ethics Commission. We feel that SB1194 would give the Ethics Commission the flexibility to set this sort of system up.

Thank you for the opportunity to offer testimony **supporting SB1194 SD2**.

Submitted By	Organization	Testifier Position	Present at Hearing
Nancy Davlantes	Individual	Support	No

Comments:

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Polk	Individual	Support	No

Comments: Please pass SB1194, which would require lobbyists to file reports electronically and for those reports to be posted on-line. Hawaii has made great strides in the past few years in making information available about who may be influencing our government. This is another step in that direction. Please vote YES.

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Brodie Lockard	Individual	Support	No

Comments: I write in support of SB1194. Filing lobbyist disclosure statements electronically and posting them online increases transparency and greatly facilitates public access. Every step in this direction strengthens Hawaii's democracy.

LATE

ed By	Organization	Testifier Position	Present at Hearing
christine trecker	Individual	Support	No

Comments: