

STAND. COM. REP. NO. **2535**

Honolulu, Hawaii

FEB 27 2014

RE: S.B. No. 2629
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 2629 entitled:

"A BILL FOR AN ACT RELATING TO LOBBYISTS,"

begs leave to report as follows:

The purpose and intent of this measure is to require an
additional reporting period for lobbyists to cover the period in
which the Legislature convenes a special session. Specifically,
this measure:

- (1) Requires persons who engage in lobbying, spend \$750 or more to influence legislative action or a ballot issue, or who employ one or more lobbyists to influence legislative action or a ballot issue ninety days prior to the convening of a special session or through sine die of that special session, or both, to file a statement of expenditures with the Hawaii State Ethics Commission within ten days of sine die of that special session;
- (2) Amends the definition of "lobbyist" to include persons who lobby in excess of five hours in any month during the ninety days prior to the convening of a special session or through sine die of that special session, or both, or who spends more than \$750 lobbying during that same period; and



- (3) Makes various conforming amendments to chapter 97, Hawaii Revised Statutes, to reflect the reporting requirements for lobbying during a special session of the Legislature.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii, Common Cause Hawaii, and four individuals. Your Committee received testimony in opposition to this measure from Hawaii Family Advocates. Your Committee received comments on this measure from the Hawaii State Ethics Commission.

Your Committee finds that existing law requires lobbyists and lobbying organizations who meet certain criteria to file lobbying expenditure and contribution statements to the Hawaii State Ethics Commission three times per year. Two reporting periods, January 1 through the last day of February and March 1 through April 30, cover expenditures and contributions made during a regular legislative session while the third reporting period, May 1 through December 31, covers the legislative interim and any special session that the Legislature may convene. Since this report is due on January 31 of each year, any expenditures and contributions relating to a legislative action considered during a special session may be reported months after such lobbying activities occurred. By requiring persons who engage in lobbying ninety days prior to the convening of a special session or through sine die of that special session, or both, to file a statement of expenditures with the Hawaii State Ethics Commission within ten days of sine die of that special session, this measure will provide more timely reporting of lobbying expenditures and contributions and promote greater transparency.

Your Committee notes the concerns raised by the Hawaii State Ethics Commission that the language in this measure is unclear regarding the time period that a statement of expenditure covers and whether the reporting requirements apply to matters that are unrelated to the special session. Furthermore, the Commission testified that creating a new and separate section to require the filing of expenditure statements of persons who engage in lobbying before and during a special session of the Legislature is unnecessary. Lastly, the Commission raised concerns that requiring a lobbyist or lobbying organization to file a statement of expenditures within ten days after sine die of a special session is not feasible and may increase requests to the Commission for an extension of the reporting deadline.

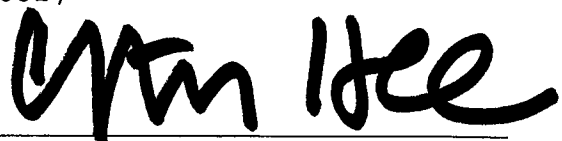


Accordingly, your Committee has amended this measure by:

- (1) Deleting the contents of this measure and inserting language suggested by the Hawaii State Ethics Commission to amend section 97-3, Hawaii Revised Statutes, to:
 - (A) Require persons who engage in lobbying during any special session to file a statement of expenditures with the Hawaii State Ethics Commission; and
 - (B) Require the statement of expenditures to cover the period from May 1 through sine die of a special session of the Legislature and only include expenditures and contributions that relate to each legislative action considered during that special session;
- (2) Requiring the statement of expenditures that covers the period from May 1 through sine die of a special session of the Legislature to be filed within thirty days after sine die of that special session;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) 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 and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2629, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2629, S.D. 1, and be placed on the calendar for Third Reading.

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

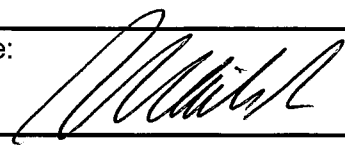


CLAYTON HEE, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* SB 2629	Committee Referral: JDL	Date: 2/24/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile S.L. (VC)	✓			
GABBARD, Mike	✓			
GALUTERIA, Brickwood				✓
IHARA, Jr., Les	✓			
SOLOMON, Malama				✓
SLOM, Sam			✓	
TOTAL	4		1	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted				
<input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:	Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy

*Only one measure per Record of Votes