



HAWAII STATE ETHICS COMMISSION

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

August 17, 2011

Public Statement Regarding Lobbying Charge and Requirements of the Lobbyists Law, Hawaii Revised Statutes, Chapter 97

A charge was filed with the State Ethics Commission alleging violations of the State Lobbyists Law, Hawaii Revised Statutes Chapter 97. The charge alleged that an organization engaged in advocacy before the legislature had failed to file lobbying expenditures and contributions reports over several lobbying reporting periods. The charge also alleged that a representative of the organization failed to register as a lobbyist and also failed to file lobbying expenditures and contributions reports over the same lobbying periods.

The Commission investigated this matter. The organization and its representative fully cooperated with the Commission and provided documents and other information. After a review of its activities during the time in question, the organization agreed that it should have filed lobbying reports. Both the organization and its representative stated that they did not wilfully or intentionally fail to file the necessary reports. Neither the organization nor its representative had previously engaged in advocacy efforts before the legislature. They both stated any violations of the Lobbyist Law were the result of unfamiliarity with the law and a misunderstanding of its requirements.

The Commission resolved this matter by imposing a \$500 administrative penalty against the organization and requiring the organization and its representative to file with the Commission the various reports that they should have previously filed.

The Commission is issuing this public statement regarding the charge and the resolution of the charge to provide the public with information about the requirements of the Lobbyists Law.

The Lobbyists Law defines “lobbying” as:

communicating directly or through an agent, or soliciting others to communicate, with any official in the legislative or executive branch, for the purpose of attempting to influence legislative or administrative action or a ballot issue.

The Lobbyists Law is essentially a disclosure law, consisting of two parts: (1) the registration of individual lobbyists; and (2) the reporting of lobbying expenditures and contributions.

The registration component of the Lobbyists Law requires individuals to register as lobbyists with the State Ethics Commission if they meet certain threshold requirements. First, the individual must be compensated to lobby. This compensation may take the form of payment for professional lobbying services. It may also take the form of a salary for duties that include lobbying activities. Second, in order to meet the threshold requirement for registration, the individual must either spend over five hours in a month lobbying, or must spend over \$750 in a lobbying reporting period lobbying. For purposes of registration, activities that count as “lobbying” include testifying before the legislature, meeting with legislators on bills, drafting testimony, and soliciting others to testify or otherwise communicate with legislators. Time and money spent preparing for a lobbying effort, including time spent waiting to testify, are generally not counted towards the threshold requirement for registration.

The second component of the Lobbyists Law is the reporting of lobbying contributions and expenditures. There are three lobbying periods within each year. Reports must be filed at the end of each period. The lobbying reporting periods are:

- 1) January 1 through the last day of February. Report due March 31.
- 2) March 1 through April 30. Report due May 31.
- 3) May 1 through December 31. Report due January 31 of the following year.

The following individuals and organizations must file lobbying expenditures and contributions reports:

- 1) Each lobbyist
- 2) Any individual or organization that spends \$750 or more in a six month period for the purpose of lobbying
- 3) Any individual or organization that employs or contracts for the services of a lobbyist

Individuals and organizations should note that, for purposes of lobbying reporting, activities that count towards the \$750 threshold requirement include activities for the purpose of lobbying. Thus, activities done to prepare for lobbying are counted towards the \$750 threshold. This includes “goodwill lobbying” activities such as receptions or other parties.¹

Individuals and organization with questions about the Lobbyists Law are encouraged to consult with the State Ethics Commission. Violations of the Lobbyists Law may result in fines of up to \$500 per violation.

¹ Lobbyists and State officials should be aware that these events may raise concerns under the State Ethics Code. The Commission advises all State officials to consult with the Commission before accepting an invitation to a goodwill lobbying event.