

## HAWAI'I STATE ETHICS COMMISSION

State of Hawai'i · Bishop Square, 1001 Bishop Street, ASB Tower 970 · Honolulu, Hawai'i

Committee: House Committee on Judiciary & Hawaiian Affairs  
Bill Number: HB 412  
Hearing Date/Time: January 28, 2025, 2:00 p.m.  
Re: Testimony of the Hawai'i State Ethics Commission in **SUPPORT** of  
HB 412, Relating to Lobbying

Aloha Chair Tarnas, Vice Chair Poepoe, and Committee Members:

The Hawai'i State Ethics Commission ("Commission") **strongly supports** HB 412, which makes essential updates to Hawai'i's lobbyist law to enhance transparency and accountability in state government.

Currently, Hawai'i's definition of "lobbying" is outdated and lags behind a growing national trend to regulate procurement lobbying. Numerous jurisdictions, including Alabama, Arizona, Arkansas, California, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Tennessee, Texas, and Virginia, already classify procurement-related communications as lobbying. Furthermore, the federal Lobbying Disclosure Act regulates procurement-related activities at the federal level.

HB 412 addresses this gap by expanding Hawai'i's definition of lobbying to include procurement matters beyond those covered under Hawai'i Revised Statutes chapters 103D and 103F. The bill focuses on "pre-procurement" communications—efforts to influence or shape procurement decisions through interactions with high-level government officials. By addressing these activities, the bill promotes greater transparency and oversight, which are critical to reducing corruption, waste, and fraud in state procurements.

Additionally, HB 412 introduces a presumption to streamline regulatory oversight. Under this measure, testimony submitted by a lobbyist on matters relevant to their employer or owned business is presumed to be made on behalf of that employer or business rather than in a personal capacity. This common-sense clarification ensures accountability by addressing scenarios where employees advocate for their employer's interests while claiming to act independently.

HB 412 represents a measured and thoughtful improvement to Hawai‘i’s lobbying framework. By enhancing transparency, accountability, and fairness in government contracting, this measure establishes a regulatory environment that curbs undue influence and fosters equitable competition. These reforms ultimately benefit taxpayers, businesses, and the integrity of Hawai‘i’s government.

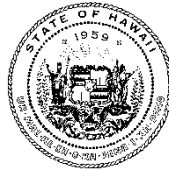
Mahalo for the opportunity to testify in strong support of HB 412.

Very truly yours,

/S/ Robert D. Harris

Robert D. Harris

Executive Director and General Counsel



**STATE OF HAWAII | KA MOKU'ĀINA O HAWAII**  
**STATE PROCUREMENT OFFICE**

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**TESTIMONY  
OF  
BONNIE KAHAKUI, ADMINISTRATOR  
STATE PROCUREMENT OFFICE**

**TO THE HOUSE COMMITTEE  
ON  
JUDICIARY & HAWAIIAN AFFAIRS  
JANUARY 28, 2025, 2:00 PM**

**HOUSE BILL 412  
RELATING TO LOBBYING**

Chair Tarnas, Vice Chair Poepoe, and members of the committee, thank you for the opportunity to submit testimony on House Bill 412. The State Procurement Office (SPO) appreciates the bill's purpose to enhance government transparency and provides the following comments.

The SPO comments on the language in Section 2, page 2, lines 14 to 21 and page 3, lines 1 to 2.

§97-\_\_\_\_ Contracts voidable. In addition to any other penalty provided by law, any contract or other action entered into by the State in violation of this chapter is voidable on behalf of the State; provided that in any action to void a contract pursuant to this section the interests of third parties who may be damaged thereby shall be taken into account, and the action to void the contract is initiated within sixty days after the determination of a violation under this chapter. The attorney general shall have the authority to enforce this section.

This language is proposed to be added to Chapter 97, Hawaii Revised Statutes (HRS), which relates to lobbyists. However, this language already exists as §84-16 Contracts voidable, in Chapter 84, Standards of Conduct, HRS, which prescribes a code of ethics for elected officers and public employees of the State. Public employees have the responsibility to comply with statutes and rules or risk voiding a state contract.

The SPO has concerns that voiding a contract because a lobbyist did not follow state lobbying laws may have unintended consequences such as delays in the start of a project or completion of a project, warranty issues, obligations to a third party, or increased costs to re-procure.

Thank you for the opportunity to submit testimony on this measure.

TO: Members of the Judiciary & Hawaiian Affairs

FROM: Natalie Iwasa, CPA, CFE  
808-395-3233

HEARING: 2 p.m. Tuesday, January 28, 2025

SUBJECT: HB412, Related to Lobbying - **COMMENTS**

Aloha Chair Tarnas and Committee Members,

Thank you for allowing the opportunity to provide testimony on HB412, which would expand the definition of “lobbying” and make certain other changes with respect to our lobbying law.

Section 2 of this bill would require that an individual who has a substantial ownership in an entity who also lobbies be presumed to be compensated for those efforts. This presumption would mean that people who fall in that category would be considered lobbyists.

I often testify on a wide range of issues and meet with elected officials. In some cases I testify on items that would directly impact me or my firm, e.g., general excise taxes. I was informed that this type of issue is general in nature and therefore would not fall under this proposed change. If that is NOT correct, I ask that this bill be revised accordingly.

Please note I support other changes proposed in this bill.