H.B. NO. ⁴¹² H.D. 1 S.D. 2

A BILL FOR AN ACT

RELATING TO LOBBYING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that transparent 2 disclosure of lobbying activities is in the public interest. 3 Under the state lobbying law, chapter 97, Hawaii Revised 4 Statutes, "lobbying" an administrative agency only regards 5 formal rulemaking or other actions governed by section 91-3, 6 Hawaii Revised Statutes. Including procurement discussions in 7 the list of actions subject to influence within the statutory 8 definition of "lobbying" promotes government transparency by 9 providing the public with additional information regarding 10 lobbying at the administrative agency level and promoting a 11 level playing field for all businesses.

Accordingly, the purpose of this Act is to enhancegovernment transparency by:

- 14 (1) Establishing certain presumptions regarding lobbying15 on behalf of private clients;
- 16 (2) Making certain contracts voidable when entered into in
 17 violation of the state lobbying law; and



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| 1 | (3) | Expanding the definition of "lobbying" under the state |
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| 2 | | lobbying law to include certain communications with |
| 3 | | high-level government officials regarding procurement |
| 4 | | decisions. |
| 5 | SECT | ION 2. Chapter 97, Hawaii Revised Statutes, is amended |
| 6 | by adding | two new sections to be appropriately designated and to |
| 7 | read as f | ollows: |
| 8 | " <u>§</u> 97 | Presumption of lobbying on behalf of private |
| 9 | <u>clients.</u> | Any individual with a substantial ownership interest |
| 10 | in or a p | aid employee, officer, or director of an organization, |
| 11 | who activ | ely participates in lobbying activities that directly |
| 12 | benefit t | hat organization, shall be presumed to be receiving |
| 13 | compensat | ion from the organization for their lobbying efforts. |
| 14 | This pres | umption shall not include communications made solely |
| 15 | for infor | mational purposes, ceremonial interactions, or routine |
| 16 | relations | hip building that do not involve advocacy for or |
| 17 | against s | pecific outcomes. |
| 18 | <u>§</u> 97– | Contracts voidable. In addition to any other |
| 19 | penalty p | rovided by law, any contract or other action entered |
| 20 | into by t | he State in violation of this chapter shall be voidable |
| 21 | on behalf | of the State; provided that in any action to void a |



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| 1 | contract pursuant to this section, the interests of third | | | |
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| 2 | parties who may be damaged thereby shall be taken into account; | | | |
| 3 | provided further that the action to void the contract shall be | | | |
| 4 | initiated no later than sixty days after the determination of a | | | |
| 5 | violation under this chapter. The attorney general, in | | | |
| 6 | consultation with the head of the purchasing agency impacted, | | | |
| 7 | shall have the authority to enforce this section." | | | |
| 8 | SECTION 3. Section 97-1, Hawaii Revised Statutes, is | | | |
| 9 | amended by amending the definition of "lobbying" to read as | | | |
| 10 | follows: | | | |
| 11 | ""Lobbying" means communicating directly or through an | | | |
| 12 | agent, or soliciting others to communicate, with any official in | | | |
| 13 | the legislative or executive branch, for the purpose of | | | |
| 14 | attempting to influence legislative or administrative action or | | | |
| 15 | a ballot issue. "Lobbying" includes communicating with any | | | |
| 16 | person identified in section 84-17(d) concerning the | | | |
| 17 | solicitation or award of a contract by or proposal before an | | | |
| 18 | administrative agency or a potential future vendor relationship | | | |
| 19 | with an administrative agency if any of the communications are | | | |
| 20 | not governed by chapter 103D or 103F. | | | |
| 21 | "Lobbying" [shall] <u>does</u> not include [the] <u>:</u> | | | |



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| 1 | (1) Communications about a request for proposals, |
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| 2 | contract, or vendor relationship if the communications |
| 3 | are initiated by a legislator or state employee; or |
| 4 | (2) The preparation and submission of a grant application |
| 5 | pursuant to chapter 42F by a representative of a |
| 6 | nonprofit organization." |
| 7 | SECTION 4. This Act does not affect rights and duties that |
| 8 | matured, penalties that were incurred, and proceedings that were |
| 9 | begun before its effective date. |
| 10 | SECTION 5. If any provision of this Act, or the |
| 11 | application thereof to any person or circumstance, is held |
| 12 | invalid, the invalidity does not affect other provisions or |
| 13 | applications of the Act that can be given effect without the |
| 14 | invalid provision or application, and to this end the provisions |
| 15 | of this Act are severable. |
| 16 | SECTION 6. Statutory material to be repealed is bracketed |
| 17 | and stricken. New statutory material is underscored. |
| 18 | SECTION 7. This Act shall take effect on January 1, 2027. |



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Report Title:

State Ethics Commission Package; Lobbying; Transparency; Procurement

Description:

Establishes certain presumptions regarding lobbying on behalf of private clients. Makes certain contracts voidable when entered into in violation of the state lobbying law under certain conditions. Expands the definition of "lobbying" in the state lobbying law to include certain communications with certain government officials regarding procurement decisions. Effective 1/1/2027. (SD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

