# 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 lobbying law, chapter 97, Hawaii Revised Statutes,
- 4 "lobbying" an administrative agency only regards formal
- 5 rulemaking or other actions governed by section 91-3, Hawaii
- 6 Revised Statutes. Including procurement discussions in the
- 7 definition of "lobbying" promotes government transparency by
- 8 providing the public with additional information regarding
- 9 lobbying at the administrative agency level and promotes a level
- 10 playing field for all businesses.
- 11 Accordingly, the purpose of this Act is to enhance
- 12 government transparency by:
- 13 (1) Establishing certain presumptions regarding lobbying
- on behalf of private clients;
- 15 (2) Making certain contracts voidable when entered into in
- violation of the state lobbying law; and

| 1  | (3)              | Expanding the definition of "lobbying" in section      |  |
|----|------------------|--|--|
| 2  |                  | 97-1, Hawaii Revised Statutes, to include certain      |  |
| 3  |                  | communications with high-level government officials    |  |
| 4  |                  | regarding procurement decisions.                       |  |
| 5  | SECTIO           | ON 2. Chapter 97, Hawaii Revised Statutes, is amended  |  |
| 6  | by adding        | two new sections to be appropriately designated and to |  |
| 7  | read as follows: |  |  |
| 8  | " <u>§97-</u>    | Presumption of lobbying on behalf of private           |  |
| 9  | clients.         | Any individual with a substantial ownership interest   |  |
| 10 | in or a pa       | id employee, officer, or director of an organization   |  |
| 11 | who active       | ly participates in lobbying activities that directly   |  |
| 12 | benefit tha      | at organization shall be presumed to be receiving      |  |
| 13 | compensation     | on from the organization for their lobbying efforts.   |  |
| 14 | <u>§97-</u>      | Contracts voidable. In addition to any other           |  |
| 15 | penalty pro      | ovided by law, any contract or other action entered    |  |
| 16 | into by the      | State in violation of this chapter shall be voidable   |  |
| 17 | on behalf o      | of the State; provided that in any action to void a    |  |
| 18 | contract pu      | rsuant to this section the interests of third parties  |  |
| 19 | who may be       | damaged thereby shall be taken into account, and the   |  |
| 20 | action to v      | void the contract is initiated within sixty days after |  |
| 21 | the determi      | nation of a violation under this chapter. The          |  |

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| 1  | attorney general shall have the authority to enforce this       |  |  |
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| 2  | section."   |  |  |
| 3  | SECTION 3. Section 97-1, Hawaii Revised Statutes, is            |  |  |
| 4  | amended by amending the definition of "lobbying" to read as     |  |  |
| 5  | follows:  |  |  |
| 6  | ""Lobbying" means communicating directly or through an          |  |  |
| 7  | agent, or soliciting others to communicate, with any official i |  |  |
| 8  | the legislative or executive branch, for the purpose of         |  |  |
| 9  | attempting to influence legislative or administrative action or |  |  |
| 10 | a ballot issue. "Lobbying" includes communicating with any      |  |  |
| 11 | person identified in section 84-17(d) concerning the            |  |  |
| 12 | solicitation or award of a contract or proposal before an       |  |  |
| 13 | administrative agency or a potential future vendor relationship |  |  |
| 14 | with an administrative agency if any of the communications are  |  |  |
| 15 | not governed by chapter 103D or 103F. "Lobbying" does not       |  |  |
| 16 | <u>include:</u>   |  |  |
| 17 | (1) Communications about a request for proposals,               |  |  |
| 18 | contract, or vendor relationship if the communications          |  |  |
| 19 | are initiated by a legislator or state employee; or             |  |  |
| 20 | ["Lobbying" shall not include the]                              |  |  |

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1 (2) The preparation and submission of a grant application 2 pursuant to chapter 42F by a representative of a 3 nonprofit organization." 4 SECTION 4. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were 5 6 begun before its effective date. 7 SECTION 5. If any provision of this Act, or the 8 application thereof to any person or circumstance, is held 9 invalid, the invalidity does not affect other provisions or 10 applications of the Act that can be given effect without the 11 invalid provision or application, and to this end the provisions of this Act are severable. 12 SECTION 6. Statutory material to be repealed is bracketed 13

and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on January 1, 2027.

2025-1149 HB412 HD1 HMSO

## Report Title:

State Ethics Commission Package; Lobbying; Transparency

### 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. Expands the definition of "lobbying" in the state lobbying law to include certain communications with high-level government officials regarding procurement decisions. Effective 1/1/2027. (HD1)

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