

Column

Ian Lind: Tightening The Rules For Lobbyists

Lobbyists spent millions trying to influence lawmakers last year.

1

By Ian Lind  / About 8 hours ago

Share 0

Share

Efforts by special interest groups to shape legislation in their own interests is definitely big business in Hawaii, according to reports on expenditures for lobbying [filed with the State Ethics Commission](#).

There were 334 organizations with registered lobbyists, which spent a total of more than \$5.3 million during 2016. The reports for the final period, which runs from May 1 through Dec. 31, were due at the end of last month.

The organizations included global corporations with active interests in Hawaii, local businesses, community organizations, unions, professional associations and even nonprofit organizations with perceived stakes in the decisions made by legislators.

Altogether, the groups reported a total of \$5,328,441 in lobbying-related spending during calendar year 2016. That's an average of \$70,111 spent to influence each of Hawaii's 76 legislators.

Lobbyist fees or salaries accounted for more than \$4.4 million, or nearly 84 percent of the total amount. The rest is typically spent on research,

preparing lobbying materials to distribute to legislators and staff, paying other consultants, gifts, entertainment, or food and drinks offered at events or receptions, or in one-on-one meetings with legislators.



The Top Spenders

Alone at the top of the list is the giant tobacco company, Altria, the only organization with more than \$200,000 in lobbying costs, including \$110,783 in the period between May 1 and Dec. 31, 2016. The company would have ranked among the Top 10 based only on what was spent during that eight-month period, which doesn't include the months when the Legislature was in session. Altria markets its tobacco products under a number of brands, including Philip Morris USA Inc., John Middleton Co. and U.S. Smokeless Tobacco Co.

Outrigger Hotels ranked second in reported spending at \$188,470. The company's primary lobbyist, Max Sword, is currently chairman of the Honolulu Police Commission. However, apparent problems in the company's reported spending raise questions about the accuracy of its reports, and the actual amount could be less than what was reported. Attempts to reach Sword on Wednesday for clarification were unsuccessful.

Also spending over \$140,000 during the year were the Hawaii Community Foundation (\$147,724.45), CoreCivic Inc., formerly known as Corrections

Corporation of America (\$142,310.40), and the Chamber of Commerce of Hawaii (\$140,482.69).

The top ranks of organizations spending the most for legislative lobbying included both teacher unions, the Hawaii State Teachers Association (ranked NO. 6, with spending of \$116,943) and the University of Hawaii Professional Assembly, the faculty union (No. 18, \$73,370). Six of the state's major health care organizations also ranked in the top 20 spenders — Maui Memorial Medical Center, Hawaii Medical Service Association, Queen's Health Systems, Wellcare Health Insurance ('Ohana Health), Kaiser Foundation Health Plan, and Express Scripts— reporting combined lobbyist expenditures of \$544,905.

Clarifying Reporting Requirements

State law requires any organization that employs one or more lobbyists to report what they spend. However, there is considerable slippage in the language of the existing law, creating loopholes that can be used to avoid disclosure.

For example, the law currently defines a lobbyist as anyone who spends more than five hours a month or \$750 in any reporting period trying to influence legislation. But exactly what activities are included, and how the time spent should be counted, is ambiguous. Most professional lobbyists register and report as a matter of course, but it's generally recognized that there are ways that others avoid public disclosure.

The State Ethics Commission puts it this way: "The Commission believes that the current standards for determining who must register as a lobbyist are both under- and over-inclusive."

The commission hopes to fix the problem, and for the first time has proposed several new criteria to more clearly define the threshold for lobbyist disclosure. The commission is backing [House Bill 290](#), which was

passed out of the House Labor and Public Employment Committee in slightly amended form following a public hearing last week.



Outrigger Hotels chief lobbyist, Max Sword, is also chairman of the Honolulu Police Commission.

“Some individuals may seek to influence many pieces of legislation through short meetings with lawmakers (thus claiming that they spend fewer than five hours a month lobbying); conversely, some individuals may have to register as lobbyists – even if they have no direct contact with lawmakers – if they spend more than five hours in a month preparing a Grant In Aid (“GIA”) application,” the commission said in its written testimony.

The bill would amend the definition of “lobbyist” to include anyone who is paid or expects to be paid more than \$1,000 during the year for lobbying, directly or through his or her agents; anyone who spends more than five hours on lobbying activities in any month, or ten hours during the calendar year; or anyone who lobbies on three or more measures during any legislative session. The existing \$750 spending threshold would be increased to \$1,000.

The bill would explicitly exempt anyone who spends more than five hours preparing a Grant in Aid application. However, if that person then proceeds to lobby for their application and meets any of the other criteria, they would then be considered a lobbyist and have to register.

These amendments, if approved, will close several significant loopholes and should result in more registration and reporting by lobbyists and organizations which employ them.

HB 290 passed second reading this week and was referred to the House Judiciary Committee, which has not yet scheduled a hearing. A companion measure in the Senate does not appear to be moving.

Follow Civil Beat on [Facebook](#) and [Twitter](#). You can also sign up for Civil Beat's free [daily newsletter](#).

About the Author



Ian Lind

Ian Lind is an award-winning investigative reporter and columnist who has been blogging daily for 15 years. He has also worked as a newsletter publisher, public interest advocate and lobbyist for Common Cause in Hawaii, peace educator, and legislative staffer. Lind is a lifelong resident of the islands. [Read his blog here.](#)

[Use the RSS feed to subscribe to Ian Lind's posts today](#)

SHOW COMMENTS