

Honolulu, Hawaii

April 6, 2006

RE: S.B. No. 2922
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 2922, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING,"

begs leave to report as follows:

The purpose of this bill is to clarify that:

- (1) Corporations and companies must make contributions to and expenditures for campaigns through noncandidate committees;
- (2) Each corporation or company may transfer unlimited funds from its own funds to its noncandidate committee;
- (3) The contributions and expenditures of each noncandidate committee are limited to the aggregate amounts allowed for individuals; and
- (4) All noncandidate committees must be registered.

This bill also reestablishes an expenditure ceiling for prosecuting attorney candidates who participate in the publicly-funded campaign program.



The Attorney General supported this bill. The Campaign Spending Commission supported this measure in part, opposed it in part, and provided comments. The League of Women Voters of Hawaii also provided comments.

Your Committee finds that the best approach to addressing the confusion that may have arisen from Act 203, Session Laws of Hawaii 2005, with respect to both allowable contributions to candidates by noncandidate committees and allowable contributions by persons to noncandidate committees, is by clarifying the applicable sections, rather than creating a new section in Chapter 11, Hawaii Revised Statutes (HRS), as reflected in the S.D. 1 of this bill. Furthermore, your Committee recommends specifying that organizations funding their own noncandidate committees through a one-time transfer of their own treasury funds may transfer amounts different from the amounts those noncandidate committees may themselves contribute to candidates and which are limited by section 11-204(a), HRS.

Accordingly, your Committee has amended this bill by:

- (1) Removing the findings and purpose section;
- (2) Deleting the new section requiring persons other than individuals to make campaign contributions and expenditures through a noncandidate committee and allowing these persons a one-time transfer during an election period of unlimited funds to the person's own noncandidate committee;
- (3) Inserting in section 11-204(b), HRS, the provision allowing a person other than an individual to make a one-time transfer during a two-year election period of an unlimited amount of money into its own noncandidate committee;
- (4) Amending Section 11-204(a), HRS, to specifically apply its campaign contribution limits to noncandidate committees;
- (5) Raising from \$1,000 per election to \$2,000 per election period, the aggregate amount contributable to a noncandidate committee, other than by an organization funding its own noncandidate committee with its own treasury funds;



- (6) Changing the effective date to January 1, 2006, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2922, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2922, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



SYLVIA LUKE, Chair



