

Honolulu, Hawaii

APR - 3 2006

RE: H.B. No. 3101
H.D. 1
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Judiciary and Hawaiian Affairs, to which was referred H.B. No. 3101, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish reporting conditions and penalties for failure to file or correct campaign spending reports.

This measure also:

- (1) Exempts accounting services by a treasurer and deputy treasurer from definitions of "contributions" and "expenditures";
- (2) Adds an aggregate contribution limit of \$25,000 by any one person to any number of candidates, and includes loans in definition of "contributions";
- (3) Removes the exemption of immediate family from the contribution limit;
- (4) Requires that advertisements include name and address of payor on advertisements and envelopes;
- (5) Deletes the prohibition of knowing solicitation of contributions by state contractors; and



- (6) Establishes conditions under which two or more corporations are treated as one person for the purposes of campaign contribution limits.

Your Committee received testimony in support of this measure from the Campaign Spending Commission, the League of Women Voters of Hawaii, and four individuals.

Your Committee finds that are concerns regarding the aggregate contribution limit of \$25,000 by any one person to a number of candidates. The Attorney General has testified that this provision of the measure will likely withstand a challenge. Your Committee further notes a concern regarding treating a loan as a contribution because if a loan is a contribution, then a candidate may only take out a loan up to the maximum allowable contribution. As this measure proceeds to conference, your Committee requests that these issues be discussed further.

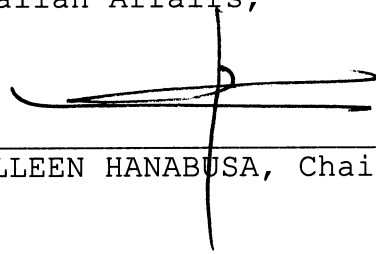
Your Committee has amended this measure to:

- (1) Clarify the advertising requirements under section 11-215, Hawaii Revised Statutes, in accordance with the testimony submitted by the Campaign Spending Commission;
- (2) Re-insert the exemption for loans made by a financial institution in the ordinary course of business;
- (3) Re-insert the exemption for family member contributions;
- (4) Delete section 8 to retain the existing law that a loan is not a campaign contribution; and
- (5) Make technical, non-substantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3101, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3101, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Hawaiian Affairs,



COLLEEN HANABUSA, Chair



**The Senate
Twenty-Third Legislature
State of Hawaii**

**Record of Votes of the
Committee on Judiciary and Hawaiian Affairs
(Bills and Resolutions)**

Measure:*	Committee Referral:	Date:
HB 3101 HD1	JHW	3-21-06
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is to:		
<input type="checkbox"/> Pass, unamended (2312) <input checked="" type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)		
Members	Ayes	Ayes(WR)
Nays	Excused	
HANABUSA, Colleen (C)	/	
HEE, Clayton (VC)	/	
CHUN OAKLAND, Suzanne	/	
ENGLISH, J. Kalani	/	
IHARA, Jr., Les	/	
WHALEN, Paul		/
TOTAL	5	1
0	0	
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
<i>Clayton Hee</i>		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
		Goldenrod Committee File Copy

*Do not list more than one measure per Record of Votes.