

Honolulu, Hawaii

APRIL 27 , 2006

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

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

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

Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2922, S.D. 1, H.D. 1, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to clarify that a noncandidate committee shall be subject to the same limitations on contributions to candidates as any person or other entity. This measure also provides that a "person" other than an individual can make a one-time unlimited transfer in a two-year election period of funds from its own treasury to fund the person's own noncandidate committee. In addition, this measure establishes an expenditure ceiling for prosecuting attorney candidates who participate in the public funded campaign program.

Act 203, Session Laws of Hawaii 2005 (Act 203), made various changes to Hawaii's campaign spending laws, including limiting the



amount of campaign contributions made by a corporation and establishing a public funding program for the Office of the Prosecuting Attorney. The Office of Campaign Spending has interpreted Act 203 to limit a corporation's contributions or expenditures to a total of \$1,000 to all candidates, candidate committees, noncandidate committees, and political parties in a single election period. This measure is necessary to clarify the legislative intent of Act 203 to reflect parity of treatment between a corporation and an individual under the campaign spending laws.

Your Committee on Conference has amended this measure to:

- (1) Reinstate section 2 of the senate draft of S.B. No. 2922, which:
  - (a) Required that persons other than individuals, including corporations, partnerships, associations, or organizations to make contributions to candidates, candidate committees, noncandidate committees other than its own and parties through a noncandidate committee only; and
  - (b) Allowed persons other than an individual to transfer an unlimited amount of money from its own funds to its respective noncandidate committee;
- (2) Include limited liability corporations to section 2;
- (3) Add language to section 2 to distinguish between individuals using their own funds and all others, and providing that persons other than individuals using their own funds must register pursuant to section 11-194;
- (4) Insert sections 1 through 4, 6 through 8, section 10, and sections 12 through 16 of H.B. 3101 SD1 with technical amendments for clarity and to track federal guidelines;
- (5) Delete the reference to the one-time transfer that was added to section 11-204(b), Hawaii Revised Statutes;
- (6) Add language to make partnerships' contributions attributable only to a partner's pro rata interest in the partnership in order to conform to the federal guidelines;

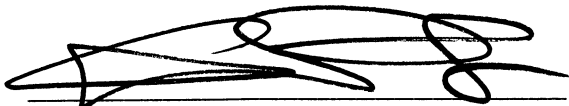


- (7) Add language requiring a limited liability company to conform to its Internal Revenue Service status in order to conform to the federal guidelines;
- (8) Add a new section to provide for a statute of limitation in section 11-228, Hawaii Revised Statutes;
- (9) Change the effective date to upon approval, provided that Section 2 be effective retroactively to January 1, 2006; and
- (10) Make technical changes for style, clarity, and conformance.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2922, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2922, S.D. 1, H.D. 1, C.D. 1.

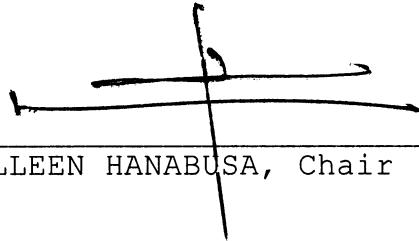
Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE HOUSE



SYLVIA LUKE, Chair

ON THE PART OF THE SENATE



COLLEEN HANABUSA, Chair



