

Honolulu, Hawaii

MAR 2 - 2006

RE: S.B. No. 2922
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 S.B. No. 2922 entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify that if a corporation or company uses funds from its own treasury to fund the corporation's or company's own noncandidate committee, there is no limit on contributions or expenditures to the corporation's or company's noncandidate committee.

This measure also reestablishes an expenditure ceiling for a candidate for the Office of the Prosecuting Attorney who voluntarily participates in the publicly funded campaign program.

Testimony in support of this measure was submitted by the Hawaii Transportation Association and GEICO. Testimony in opposition to this measure was submitted by the League of Women Voters of Hawaii and one individual. Comments on the measure were submitted by the Campaign Spending Commission and the Attorney General.

Your Committee finds that Act 203, Session Laws of Hawaii 2005, 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. Your Committee further finds that the Office of Campaign Spending has interpreted the law 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. Your Committee believes that this measure is necessary to clarify the legislative intent of Act 203, SLH 2005, to reflect parity of treatment between a corporation and an individual under the campaign spending laws.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the amendment to section 11-204(b), Hawaii Revised Statutes, that reinserted language to allow a corporation or company to use funds from its own treasury to contribute unlimited amounts to the corporation or company noncandidate committee;
- (2) Creating a new section to clarify that persons other than individuals, including a corporation, partnership, association, or organization can make campaign contributions and expenditures from their own funds through a noncandidate committee subject to the aggregate limits applicable to individuals; and
- (3) Changing the effective date of the Act to make the new section regarding non-individual contributions or expenditures effective retroactively to January 1, 2006 to avoid confusion under Act 203, SLH 2005.

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 S.B. No. 2922, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2922, 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



