



TESTIMONY OF THE STATE ATTORNEY GENERAL TWENTY-FOURTH LEGISLATURE, 2008

ON THE FOLLOWING MEASURE:

H.B. NO. 2455, RELATING TO CAMPAIGN SPENDING.

BEFORE THE:

HOUSE COMMITTEE ON JUDICIARY

DATE: Tuesday, February 5, 2008 **TIME:** 2:00 PM

LOCATION: State Capitol Room 325

Deliver to: , Room 302, 5 copies

TESTIFIER(S): WRITTEN TESTIMONY ONLY, for further information please contact Deputy Attorney General Charleen M. Aina, 586-1292

Chair Waters and Members of the Committee:

The Attorney General testifies to suggest clarifying language, if this bill's purpose is to allow:

1. Corporations to make contributions up to the limits specified in section 11-204(a), Hawaii Revised Statutes, to candidates and candidate committees, directly from their corporate treasuries, and without those contributions being considered contributions to noncandidate committees and subject to the \$1,000 limit in section 11-204(b); and

2. Candidates and committees of candidates who are elected to an office and retire at the end of their terms to contribute surplus funds to their political party after they retire.

CORPORATE CONTRIBUTIONS

There is currently an appeal pending in the Intermediate Court of Appeals, from a decision by the Second Circuit Court rejecting the Campaign Spending Commission's position that when non-individuals make campaign contributions, they become noncandidate committees and, notwithstanding the larger amounts persons or any other entity may contribute to candidates and candidate committees under section 11-204(a), non-individuals can only contribute up to \$1,000 of their money to make contributions to any and all candidates and candidate committees during an election period.

If the amendments to section 11-204 proposed in section 1 of this bill are being made to allow everyone, including corporations, to make contributions to candidates and candidate committees up to the maximum amounts specified in subsection (a) of section 11-204, then we suggest that the proviso added on page 2, lines 12-15, to subsection (b) be revised to read:

; provided that notwithstanding any other provision of this part, a contribution to a candidate or candidate committee made by an entity that is not an individual, shall not constitute a contribution or expenditure to, from, for, or by a noncandidate committee.

and that the new subsection (c) on page 2, lines 16-18, provide instead as follows:

(c) Notwithstanding any other provision of this part, the contribution limits specified in subsection (a) shall apply to contributions or expenditures made by individuals and non-individuals, including organizations, associations, corporations, and partnerships.

SURPLUS FUNDS

The campaign spending laws address how campaign contributions and surplus funds that are essentially campaign contributions leftover after an election period, may be used. Section 11-200(e), Hawaii Revised Statutes, specifies that campaign contributions can be used to make contributions to others. It expressly allows campaign contributions (and thus surplus funds) to be used to make contributions to a candidate's political party. (Section 11-204(j), Hawaii Revised Statutes, caps the aggregate amount of contributions a person may make to a political party in an election period at \$25,000.)

Sections 11-206, and 11-214, Hawaii Revised Statutes, describe how surplus funds may be used after the end of a campaign, or the election period for which they were made ends. Candidates who win their elections may spend their surplus in accordance with section 11-206 for up to four years after the election for which the contributions were made. See Haw. Rev. Stat. § 11-214(c)(1).

Candidates who lose have up to a year after the election to spend their surplus consistent with section 11-206. See Haw. Rev. Stat. § 11-214(c)(2). Persons who receive contributions and do not run for office, and candidates who withdraw or cease to be candidates must return contributions to contributors within 90 days after the deadline for filing nomination papers, or quitting the race. See Haw. Rev. Stat. § 11-214(a) and (b).

If the purpose of the amendments in sections 2 and 3 of this bill is intended to give candidates who retire after completing the terms to which they were last elected additional time beyond the four years that section 11-214(c)(1) allows to make contributions to their political parties with surplus funds, then only section 11-214 should be amended, and we recommend the following new subsection:

(g) Notwithstanding the provisions of subsection (c)(1) above, candidates who are elected to office and retire after completing their terms, and their committees shall have an additional _____ to expend surplus funds pursuant to section 11-206, or to make contributions to their political party in accordance with section 11-204(j).



STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION
235 SOUTH BERETANIA STREET, ROOM 300
HONOLULU, HAWAII 96813

February 4, 2008

TO: The Honorable Tommy Waters
The Honorable Blake Oshiro
Members of the House Judiciary Committee

FROM: Barbara U. Wong, Executive Director
Campaign Spending Commission

SUBJECT: Testimony on H.B. No. 2455, Relating to Campaign Spending

February 5, 2008
2:00 p.m. in Conference room 325

Chair Waters, Vice-Chair Oshiro, and Members of the House Judiciary Committee, thank you for the opportunity to testify on this bill.

H.B. No. 2455 proposes to:

- Codify the Tavares decision, in part, relating to corporate contributions to a noncandidate committee (Section 1 of the bill).
- Allow retiring elected officials to contribute surplus funds to a political party (Sections 2 and 3).
- Require the Campaign Spending Commission (“Commission”) to adopt rules that establish a schedule of fines.

Oppose codifying the Tavares decision in part, relating to corporate contributions to a noncandidate committee. (Section 1)

1. The Hawaii Campaign Spending Commission is dedicated to the integrity and transparency of the campaign finance transparency.

If corporate contributions to a candidate are only subject to the limits in Hawaii Revised Statutes (“HRS”) §11-204(a), and not to HRS §11-204(b), then corporations would also not be subject to registration and reporting requirements for noncandidate committees. This eliminates transparency for corporate contributions for the public because instead of looking at one noncandidate committee report to see who a corporation contributed to, the public will have to view around 300 reports, and look for the corporation’s name, and compile the information themselves.

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There will also be no cross-check available for the Commission to ascertain if the contributions made by corporations to candidates, is in fact reported by the candidates.

2. Act 203; Tavares ruling; Appeal of Tavares ruling

This bill proposes to amend HRS §11-204(b) following the amendment in Act 203, SLH 2005 (Act 203); and the Second Circuit Court's ("Court") Final Declaratory Judgment that was filed on August 10, 2007 in Charmaine Tavares Campaign v. Wong, Civil No. 06-1-0430(3).

Act 203 amended HRS §11-204(b) as follows:

(b) No person or any other entity shall make contributions to a noncandidate committee, in an aggregate amount greater than \$1,000 in an election; ~~except that in the case of a corporation or company using funds from its own treasury, there shall be no limit on contributions or expenditures to the corporation or company noncandidate committee].~~

The Commission, based upon the change in the law, enforced a \$1,000 contribution limit from a corporation or company to its noncandidate committee during the primary and \$1,000 during the general election. The enforcement of the law was challenged by the Charmaine Tavares Campaign and a contributor to her campaign.

The Court ruled that corporations and other business entities were not subject to the contribution limits in §11-204(b), and thus, could make contributions from their treasuries directly to candidates and candidate committees under HRS §11-204(a)(1)(C)¹ without registering with the Commission and filing periodic reports.

The Commission appealed the Court's decision and filed its Opening brief on January 16, 2008 with the Intermediate Court of Appeals.

3. H.B. No. 2455, section 1 appears to codify the Tavares decision

The codification of the Tavares decision would defeat the purpose of the law with respect to corporate or business contributions (transparency). Moreover, it would ignore the Court's failure to apply well established rules of statutory interpretation in regards to

¹ This section, provides, in relevant part, as follows:

"(a)(1) No person or any other entity shall make contributions to:

(A) A candidate seeking nomination or election to a two-year office or to the candidate's committee in an aggregate amount greater than \$2,000 during an election period;

(B) A candidate seeking nomination or election to a four-year statewide office or to the candidate's committee in an aggregate amount greater than \$6,000 during an election period; and

(C) A candidate seeking nomination or election to a four-year nonstatewide office or to the candidate's committee in an aggregate amount greater than \$4,000 during an election period."

deferring to the administrative agency and reading laws in pari material; and would support the absurd results of the Court's ruling that corporations can use unlimited funds from their treasury to make contributions, in contradiction to Act 203 of the SLH 2005, and overturns 27 years of legislative history that promotes transparency of corporate campaign contributions.

Support, with reservations, allowing retiring elected officials to contribute surplus funds to a party. (Sections 2 and 3 of the bill)

While we support allowing elected officials to contribute surplus funds to a party, we prefer the approach in H.B. No. 2726, which was submitted at the Commission's request. H.B. No. 2726 proposes to "collapse" two sections relating to the use of contributions.²

Under current law, three sections discuss how contributions may be used, with two sections providing mostly overlapping, if not redundant terms.

- HRS §11-200 addresses how contributions may be used before an election.
- HRS §11-206 discusses the use of "surplus funds" after an election.
- HRS §11-214 provides guidelines for the use of contributions after an election pursuant to HRS §11-206.

H.B. No. 2726 proposes to amend HRS §11-200 by combining the provisions of HRS §§11-200 and 11-206 to provide simplification and clarity.³ While HRS §11-206 has its

² H.B. No. 2726 also proposes to increase late-filing penalties and clarify the treatment of loans to candidate committees.

³ H.B. No. 2726 proposes to repeal section 11-206 and amend section 11-200 as follows:
"**§11-200 [Campaign] Use of campaign contributions[; restrictions against transfer]**. (a) A candidate, campaign treasurer, or candidate's committee shall not receive any contributions or receive or make any transfer of money or anything of value:

- (1) For any purpose other than that directly related:
 - (A) In the case of the candidate, to the candidate's own campaign[;], including fundraising activity and any other politically related activity sponsored by the candidate; or
 - (B) In the case of a campaign treasurer or candidate's committee, to the campaign of the candidate, question, or issue with which they are directly associated; [ø]
 - (2) To support the campaigns of candidates other than the candidate for whom the funds were collected or with whom the campaign treasurer or candidate's committee is directly associated; [ø]
 - (3) To campaign against any other candidate not directly opposing the candidate for whom the funds were collected or with whom the campaign treasurer or candidate's committee is directly associated[-]; or
 - (4) To make expenditures for personal expenses.
- (b) Any provision of law to the contrary notwithstanding, a candidate, campaign treasurer, or candidate's committee[-, as a contribution:] may make expenditures from its campaign fund for:
- (1) ~~[May purchase from its campaign fund not]~~ Not more than two tickets for each event held by another candidate, committee, or party whether or not the event constitutes a fundraiser as defined in section 11-203;
 - (2) ~~[May use campaign funds for any]~~ Any ordinary and necessary expenses incurred in connection with the candidate's duties as a holder of an elected state or county office[-, as the term is used in section 11-206(e)]; [and]

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genesis in a law relating to expenditure limits applicable to all candidates (prior to Buckley v. Valeo) various amendments were subsequently enacted that made the section similar to HRS §11-200. While there are slight differences, there is no apparent reason to have two laws with different guidelines applicable to contributions before an election and after an election.

H.B. No. 2726 proposed no substantive changes to HRS §11-214 as it already references HRS §11-206, in contrast to this H.B. No. 2455.

Oppose establishment of a fine schedule. (Section 4 of the bill)

Reasons for opposing a fine schedule include:

- It takes away the discretion of the Commission to impose fines based on the facts of each specific case, within the boundaries of HRS §11-228.
- HRS §11-216 already provides protection against cruel and unusual fines through the contested case hearing process. Additionally, HRS §91-14 provides further protection by allowing judicial review of contested case hearings.
- Since taking over as the Executive Director, I reviewed all past fines and have recommended to the Commission fines that are consistent with past fines for campaign law violations.
- There are at least 135 different violations of the law in HRS Chapter 11, Subpart B and Hawaii Administrative Rules 2-14.1. Among the factors that must be considered in developing a fine schedule for each violation are: repeat violations, timing of violations, and the egregiousness of the violation.

(3) ~~May make contributions from its campaign fund~~ Donations to any community service, educational, youth, recreational, charitable, scientific, or literary organization; provided that in any election ~~cycle,~~ period, the total amount of all ~~contributions~~ donations from campaign funds ~~and surplus funds~~ shall be no more than the maximum amount that one person or other entity may contribute to that candidate pursuant to section 11-204(a); provided further that no ~~contributions from campaign funds~~ donations shall be made from the date the candidate files nomination papers to the date of the general election[-];

(4) The purchase or lease of consumer goods, vehicles, equipment, and services that provide a mixed benefit to the candidate. The candidate, however, must reimburse the campaign fund for the candidate's personal use unless the personal use is de minimis; and

(5) Contributions to the candidate's party that are not earmarked for another candidate.

(c) This section shall not be construed to prohibit a party from supporting more than one candidate.

(d) This section shall not be construed to prohibit a candidate for the office of governor or lieutenant governor from supporting a co-candidate in the general election.

~~[(e) This section shall not be construed to prohibit a candidate from making contributions to the candidate's party so long as that contribution is not earmarked for another candidate.]"~~

JUDtestimony

From: Barbara Polk [REDACTED]
Sent: Monday, February 04, 2008 9:50 AM
To: JUDtestimony
Subject: HB 2455

Testimony from Barbara Polk, Americans for Democratic Action, Hawaii Chapter on HB 2455 relating to campaign spending
House Judiciary Committee hearing,
2:00pm, Tuesday, February 5, 2008
5 copies requested

To: Chair Tommy Waters
House Judiciary Committee

From: Barbara Polk, Legislative Chair
Americans for Democratic Action, Hawaii Chapter

Subject: Testimony in opposition to HB 2455 Relating to Campaign Spending

Chair Waters, Vice-Chair Oshiro, and members of the Judiciary Committee. On behalf of myself and the Hawaii Chapter of Americans for Democratic Action, I wish to testify in opposition to HB 2455.

For the past two years, Act 205 of the 2005 legislature has limited corporate contributions to political campaigns. We are aware that the interpretation of this law has not been resolved in the courts and that the legislature is attempting to clarify it. However, this bill proposes to do so by drastically increasing the ability of corporations to influence political decision making through campaign contributions .

Allowing the deep pockets of corporations to fund candidates greatly dilutes the impact of individuals on the political process. We do not know on what basis a democracy can allow corporations to make campaign contributions at all. The directors and officers of corporations have the same right as all other people to make such contributions as individuals. On what basis should they be given an **additional** opportunity, one not available to the general public, to direct money under their control to political campaigns through their corporation? Doing so gives those officers and directors more opportunity to influence politics than has the average citizen and seriously damages our democracy.

We urge you to defeat this bill, or, better yet, to follow the lead of the federal government and 22 states by disallowing ALL direct corporate contributions to candidates for office.

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JUDtestimony

From: Amoreena Rabago
Sent: Monday, February 04, 2008 3:57 PM
To: JUDtestimony
Subject: Defeat HB 2455

Aloha State Representatives:

On behalf of Americans for Democratic Action, Hawaii Chapter, I urge you to defeat HB 2455 relating to campaign spending. This bill would very greatly increase the amounts corporations can spend from their own treasuries on political candidates.

Allowing the deep pockets of corporations to fund candidates greatly dilutes the impact of individuals on the political process. We do not know on what basis a democracy can allow corporations to make campaign contributions at all. The directors and officers of corporations have the same right as all other people to make such contributions as individuals. On what basis should they be given an **additional** opportunity, one not available to the general public, to direct money under their control to political campaigns through their corporation? Doing so gives those officers and directors more opportunity to influence politics than has the average citizen and seriously damages our democracy.

Sincerely,
Barbara Polk
Legislative Chair
Americans for Democratic Action

000017

COMMON CAUSE HAWAII

CONTACT: NIKKI LOVE

PHONE: (808) 286-2285

EMAIL: INFO@COMMONCAUSEHAWAII.ORG

WEB: WWW.COMMONCAUSEHAWAII.ORG

JUD Committee

Tuesday 2/5/08 at 2:00PM in Room 325

House Bill 2455

5 copies

TESTIMONY

Nikki Love, spokesperson, Common Cause Hawaii

Dear Chair Waters, Vice Chair Oshiro, and committee members:

I am testifying in **strong opposition** to **HB 2455** on behalf of Common Cause Hawaii. Common Cause is a national nonpartisan, nonprofit advocacy organization that aims to ensure citizen voices are heard in the political process and to hold their elected leaders accountable. We are currently rebuilding a chapter in this state, and see this issue as a priority for the following reasons:

This bill invites more corporate money into politics.

The current \$1,000 aggregate limit is more than enough money for a corporation to give in each election. Campaign donations should come from people, not corporate treasuries.

This bill makes Hawaii's campaign laws more obsolete.

The federal government banned corporate donations to candidates in 1907. Twenty-two states also prohibit corporate donations to candidates. If we are going to change Hawaii's campaign finance law, it should be to reduce the amount of corporate money in the political process, not increase it.

This bill squanders a precious opportunity for citizen participation.

Political campaigns are one of the few opportunities for citizens to get directly involved in the democratic process. As money becomes more important in campaigns, citizen participation matters less. By increasing the amount of corporate money in campaigns, this bill further diminishes the value of participation by ordinary citizens.

I urge you to hold HB 2455, or amend it to reduce the amount of corporate money allowed in Hawaii's campaigns.

Mahalo.

000018



HB2455
JUD
Tuesday February 5, 2008
2:00 p.m.
Room 325
5 copies

Hawaii Voice for a Better Future

COMMITTEE ON JUDICIARY
Rep. Tommy Waters, Chair
Rep. Blake K. Oshiro, Vice Chair

February 5, 2008

Re: HB2455 — Corporate contributions

In Opposition

Kokua Council **opposes** this bill, which essential blows the lid off of corporate contributions.



We know, and I think you know, that corporations look upon their contributions as an investment. They are not philanthropic organizations. Their stockholders or private owners expect a good return on their investment. And they have deep pockets, deeper than ordinary citizens who elect their representatives.

Corporate donations at any level of government are a threat to our democracy and have been forbidden on the federal level for more than 50 years. Instead of encouraging corporate influence peddling, which is what this bill does, we should find ways to clamp down further and restrict corporate money in politics.

We are seeing a move toward publicly funded elections in Hawaii. It's already moving forward on the Big Island at the County level. This bill is a giant step **backwards** for Hawaii and should not be allowed to pass.

Kokua Council will be tracking the progress of this bill and we urge members of this committee not to go on record as favoring corporate influence on your own decisions.

I hope that the Chair and members of this Committee will realize that it is better for the state and for each of you if this bill does not move forward.

Larry Geller, President

Larry Geller
Kokua Council

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JUDtestimony

From: manis [REDACTED]
Sent: Monday, February 04, 2008 12:26 PM
To: JUDtestimony
Subject: Re: SB 2455 Campaign spending

Kokua Council
Hawaii's Voice for a Better Future

5 copies

COMMITTEE ON JUDICIARY
Rep. Tommy Waters, Chair
Rep. Blake K. Oshiro, Vice Chair

Tuesday, February 5th, 2008 2:00pm Conference Room 325

HB 2455 RELATING TO CAMPAIGN SPENDING. Clarifies limitations on corporate contributions to a noncandidate committee. Clarifies that retiring elected officials may contribute surplus funds to a political party without filing an organizational statement. Requires campaign spending commission to adopt rules that establish schedule of fines.

STRONGLY OPPOSE

Kokua Council supports the concept of clean elections and has applauded the work of past legislation resulting in the current campaign spending law.

We consider this bill a step backwards to the effort to bring public confidence in the integrity of our elected officials.

Whereby the current law limits corporate contributions to \$1,000 for candidates, this bill will only apply the limits to a noncandidate committee thereby doubling corporate contributions for candidates in most cases.

We are only too aware of the perception that politicians are beholden to their big contributors. Why contribute to this perception with this bill?

Sincerely,
Laura G. Manis, Legislative Chair
Kokua Council
[REDACTED]



Sierra Club Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803
808.537.9019 hawaii.chapter@sierraclub.org

HOUSE COMMITTEE ON JUDICIARY
February 5th, 2008, 2:00 P.M.

(Testimony is 1 page long)

TESTIMONY IN OPPOSITION TO HB 2455

Chair Waters and members of the Committee:

The Sierra Club, Hawai'i Chapter, with 5500 dues paying members statewide, opposes HB 2455, lifting the \$1000 donation limit on corporate non-candidate committees. We join the chorus of community organizations, "good government" groups, and advocates who believe that there is too much corporate influence in our democracy. The pressure to accept funds from corporate political action committees (PAC) places legislators in an untenable position where decisions that they make regarding the interests of that PAC come into question—whether the concerns are real or perceived.

Lawmakers who support this measure are making clear that they support a policy of removing this restriction on the level of corporate participation in elections. If clarity in the original policy is warranted to aid the Intermediate Court of Appeals, that clarity should make the \$1000 donation limit explicit. Such a clarification would go a long way in improving the perception of our democratic election process and reduce the unfair influence of corporate money in politics.

Please hold HB 2455 in committee.

Thank you for the opportunity to testify.

JUDtestimony

From: John Bickel [REDACTED]
Sent: Saturday, February 02, 2008 4:40 PM
To: JUDtestimony
Subject: HB2455

Honorable Judiciary Committee Members,

As a citizen and a high school history teacher, I wish to submit testimony in opposition to HB 2455 to loosen restrictions on corporate campaign contributions. I see in my students and many fellow citizens a great cynicism for the political process because of the role of people with big money and large corporations. This bill would fee their cynicism. A vote against this bill and for public financing of elections would enhance the democratic nature of our system.

Sincerely,

John Bickel
[REDACTED]

Honolulu HI 96815

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000022

JUDtestimony

From: Dick & El Burson [REDACTED]
Sent: Sunday, February 03, 2008 5:45 PM
To: JUDtestimony
Cc: All Reps
Subject: HB2455

To: House JUD Committee

From: H. Richard & Eleanore A. Burson

Subject: HB 2455 Hearing Tuesday 2/5 at 2:00 PM in Room 325, House JUD committee

We understand HB 2455 will lift the existing cap on the total aggregate amount a corporation can contribute to candidates during an election. We oppose this bill--it will allow corporations to further influence our elections, to the detriment of the public. We need less corporate influence during elections, not more. Please do the right thing and reject this bill.

H, Richard Burson
Eleanore A. Burson

000023

JUDtestimony

From: randy ching [REDACTED]
Sent: Monday, February 04, 2008 4:27 PM
To: JUDtestimony
Subject: In opposition to HB2455 (relating to campaign spending)

Judiciary Committee

Chair Tommy Waters, Vice Chair Blake Oshiro

In opposition to HB2455 (relating to campaign spending)

Hearing on Tuesday, February 5

2 p.m. in conference room 325

Chair Waters, Vice Chair Oshiro, and members of the committee,

I'm writing in strong opposition to HB2455. Hawaii should be the leader in government ethics and full public funding of elections. This bill will take the cap off of \$1,000 corporate donations.

The \$1,000 cap on corporate donations is a proven way to limit corporate interests, and allows candidates to choose more grassroots style fundraising methods.

According to a 2005 AARP survey, 86% of Hawaii's residents of voting age "think campaign contributions moderately or greatly influence policies supported by elected officials." Given this fact, we should be working to limit corporate money and encourage citizen participation. The current \$1,000 cap does both.

Please kill HB2455. We need legislators to be more accountable to citizens, not corporations. Thank you for this opportunity to testify.

Sincerely,

Randy Ching
Honolulu
[REDACTED]
[REDACTED]

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000024

Isaac W. Choy, CPA
[REDACTED]
Honolulu, Hawaii 96822

Before the Committee on Judiciary
Tuesday, February 5, 2008 at 2:00pm
Conference Room 325

Support of HB 2455

Chair Waters, Vice Chair Oshiro and other committee members.

I am testifying in favor of this legislation.

I would specifically like to amend section 4, which I believe should be underlined, to establish a schedule of fines to clearly state that the fines will not exceed the dollar amount of the violation and will be levied against the candidate or the candidates committee but not both.

Thank you for this opportunity to testify

Respectfully submitted.

Isaac W. Choy, CPA

000025

JUDtestimony

From: Brien Hallett
Sent: Saturday, February 02, 2008 8:19 PM
To: JUDtestimony
Subject: Testimony Judiciary Committee

From: Brien Hallett
To: House Judiciary Committee
Date: Tuesday, February 5, 2008
Time: 2:00 p.m.
Measure Number: HB 2455: RELATING TO CAMPAIGN SPENDING.

I am writing to oppose HB 2455.

Opening up unlimited contributions by corporations to noncandidate committees is precisely the wrong way to reduce the influence of already influential corporate interests. The Federal government has observed this rule of common sense for over a hundred years. The State of Hawai'i should get on the band wagon and not open the way for unlimited corporate influence through unlimited contributions.

Never miss a thing. Make Yahoo your home page.
<http://www.yahoo.com/r/hs>

JUDtestimony

From: Bunnyboo [REDACTED]
Sent: Monday, February 04, 2008 10:53 AM
To: JUDtestimony
Subject: Fw: Opposition of HB 2455

Honorable Legislators,

I. Even the federal government banned direct corporate donation all the way back in 1907. It's embarrassing that we even allow them to give money at all. To lift the \$1,000 cap would take us backwards, not forwards.

II. The \$1,000 cap on corporate donations is a proven way to limit corporate interests, and make allows candidates choose more grassroots style fundraising methods. Between 2004 – 2005, Governor Lingle raised almost 1 million dollars, but in 2006, with the \$1,000 cap in place, that number dropped to only \$100,000, which is significant as well because 2006 was an election year, when the fundraising amounts are usually higher.

III. According to a 2005 AARP survey, 86% of Hawaii's residents of voting age "think campaign contributions moderately or greatly influence policies supported by elected officials." Given this fact, we should be working to limit corporate money and encourage citizen participation. The current \$1,000 cap does both. If candidates can't go to corporations for money, they'll resort to fundraising from their constituents instead. This is a positive trend.

Yours sincerely,

Delora M. Hutton

000037

JUDtestimony

From: Donald Hutton [REDACTED]
Sent: Monday, February 04, 2008 8:19 AM
To: JUDtestimony; reps@captiol.hawaii.gov
Subject: Opposition of HB 2455

Honorable Legislators,

I. Even the federal government banned direct corporate donation all the way back in 1907. It's embarrassing that we even allow them to give money at all. To lift the \$1,000 cap would take us backwards, not forwards.

II. The \$1,000 cap on corporate donations is a proven way to limit corporate interests, and make allows candidates choose more grassroots style fundraising methods. Between 2004 – 2005, Governor Lingle raised almost 1 million dollars, but in 2006, with the \$1,000 cap in place, that number dropped to only \$100,000, which is significant as well because 2006 was an election year, when the fundraising amounts are usually higher.

III. According to a 2005 AARP survey, 86% of Hawaii's residents of voting age "think campaign contributions moderately or greatly influence policies supported by elected officials." Given this fact, we should be working to limit corporate money and encourage citizen participation. The current \$1,000 cap does both. If candidates can't go to corporations for money, they'll resort to fundraising from their constituents instead. This is a positive trend.

Yours sincerely,

Donald W. Hutton, PE

000028

JUDtestimony

From: Paul McKimmy [REDACTED]
Sent: Monday, February 04, 2008 7:32 AM
To: JUDtestimony
Subject: Opposition of HB 2455

Dear Representatives

I write in strong opposition to HB 2455. Corporate donations to campaigns are the s

I urge you to strike down this disgusting bill.

It's embarrassing that we're lifting a \$1,000 cap on corporate donations when event

Sincerely,

Paul B. McKimmy
[REDACTED]

Honolulu, HI 96822

000029

2/4/2008

Honorable Representative Tommy Waters,
House Committee on Judiciary Chair

Honorable Representative Blake Oshiro,
House Committee on Judiciary Vice Chair

RE: HB 2455 – relating to campaign donation
IN OPPOSITION to change donation limits by Corporations

Good Morning Chair Waters, Vice Chair Oshiro and Committee Members:

I'm Daisy Murai, a resident of Kapahulu and a member of the General Public. HB 2455 – relating to changing the current \$ 1,000 donation limit by Corporations to candidates is a terrible mistake. I feel that Corporations will have an unfair advantage creating more leverage over the General Public in influencing the voting decision by candidates elected to a public office. Legislation proposed by such elected public officials could be more beneficial to the Corporation over the welfare of the General Public. The 1,000 dollar donation limit by Corporations will certainly be a fair and balanced Legislation for all.

This is why I Oppose HB 2455.

Thank you for the opportunity to speak.

Daisy Murai - *General Public*
3039 Kaunaoa Street
Honolulu, HI 96815
February 4, 2008

Committee Clerk – please make 5 copies
Fax: 586 – 9456
House Committee on Judiciary
February 5, 2008
2:00 pm, Conference Room 325

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JUDtestimony

From: julie shiohita [mailto:jshiohita@hawaii.gov]
Sent: Monday, February 04, 2008 6:58 PM
To: JUDtestimony
Subject: HB2455: related to campaign spending limits

Dear Honorable Legislators:

I would like to share my concern with the Judicial Committee during the public hearing scheduled for tomorrow, February 5, in House Conference Rm. #325. I would like to add to the testimony, my concern for maintaining strict contribution limits by corporate donors to non-candidate election committees.

As you are aware, other state and the Federal election codes either do not permit or strictly limit contributions by corporations. By not maintaining strict limits to corporate contributions, it is possible to create an imbalance and effectively silence the grassroots and individuals to have their voices heard in the electoral process. Allowing unrestricted corporated dollars into the election code, legislators will effectively sell elections to the highest bidder and shut out the grassroots voice of private individuals.

There is also discussion in the current legislature to hold a publicly funded election in the state, making evident that voters are deeply concerned with the abuse of deep-pocketed special interests to control and take over public debate during an election. Such an election would allow for a balanced and unbiased debate of the issues.

I am confident that this legislature is savvy to the possible outcome of removing contribution limits. Keep corporate contributions in check with limits that will allow both sides of an election issue to be heard and decided by the voters. Do not let deep-pocketed special interests overwhelm and thus control public debate in Hawaii's democratic process.

Thank you for your thoughtful consideration

Julie Shiohita
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