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

February 6, 2008

**TO:** The Honorable Brian Taniguchi  
The Honorable Clayton Hee  
Members of the Senate Committee on Judiciary and Labor

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

**SUBJECT: Testimony on S.B. No. 2204, Relating to Campaign Spending**

Wednesday, February 6, 2008  
9:00 a.m. in Conference Room 016

Chair Taniguchi, Vice-Chair Hee, and Members of the Senate Committee on Judiciary and Labor, thank you for the opportunity to testify on this bill.

This bill, which was introduced at the Campaign Spending Commission's ("Commission") request, proposes technical changes to the law to conform to the current law requiring electronic filing of reports. These changes would take effect upon approval.

The enactment of Act 200, Session Laws of Hawaii 2007 ("Act 200"), made Hawaii one of the most transparent states in the nation with respect to campaign financing. Act 200 repealed certain exemptions from electronic filing for candidate committees and extended electronic filing to all noncandidate committees. The Legislature should be commended for the passage of that law which allows the public to review all reports electronically. Prior to electronic filing, reports were kept in filing cabinets at the Commission's office and could be reviewed only by visiting the Commission's office. This bill merely makes technical changes to further implement Act 200.

We urge the Committee to pass the bill.

**HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS – PAC**

2145 Wells Street, Suite 402  
Wailuku, Hawaii 96793

**Before the Committee on Judiciary and Labor**

Wednesday, February 6, 2008 at 9:00 a.m.  
Conference Room 016

**Re: Support of SB2204, with amendment**  
Relating to Campaign Spending**Testimony of Marilyn M. Niwao, J.D., CPA**

Chair Taniguchi, Vice-Chair Hee, and committee members:

I am a CPA and attorney in the State of Hawaii, and I am the chairperson for the Hawaii Association of Public Accountants - PAC. The Hawaii Association of Public Accountants - PAC was established to assist the legislative efforts of the Hawaii Association of Public Accountants (HAPA). HAPA is the only statewide accounting organization representing local public accounting practitioners (i.e., primarily CPAs and PAs who practice public accounting), with neighbor island chapters in addition to its Oahu Chapter.

Among other provisions, SB2204 amends HRS §11-212 (b) (pertaining to preliminary reports of noncandidate committees) and HRS 11-213 (b) (final and supplementary reports for noncandidate committees). HAPA-PAC respectfully requests that an amendment be made to SB2204 to increase the threshold aggregate contribution amount from \$100 to \$250 whereby noncandidate committees must report details such as name, address, occupation, and employer of each donor, including the amount and date of deposit of each such contribution.

Why increase the threshold amounts? Our organization is an example of a noncandidate committee. We have over 125 donors to the HAPA-PAC. Each donor understands that donating to a PAC means that his/her donation will be given out to a number of candidates. Therefore, they generally give the suggested amount or more.

If the HAPA-PAC gives money to 10 candidates, for example, a \$100 contribution by a donor to the PAC may mean \$10 given pro-rata to each of the candidates over a reporting period. For a donation of \$250, the pro-rata donation to each candidate would be only \$25 for a reporting period. A good argument could be made that the threshold reporting amount for donations to noncandidate committees should be increased to an even higher amount before triggering detailed reporting of information on donors.

Testimony of Marilyn M. Niwao, J.D., CPA  
In support of SB2204, with amendment  
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The \$100 threshold has been in effect for a number of years, and has not been increased over time to adjust for inflation.

We recognize the desire to have public disclosure of donors to candidates or candidate committees. However, the public disclosure interest should be weighed against the reporting burden for noncandidate committees which may have hundreds of donors who are essentially donating only indirectly to candidates a smaller pro rata amount to each candidate.


Reporting the name, address, employer, occupation, amount donated, and date of deposit when donors give accumulated amounts in excess of \$100 during an election period is overly burdensome when compared to the public disclosure interest. Our organization is comprised of accountants who know very well the administrative burden that is imposed by such a low threshold for reporting this detailed information.

For example, obtaining the employer information for donors giving more than \$100 in an election period involves additional telephone calls since the employer information is not usually disclosed when a donor sends a check. For other noncandidate committees, obtaining the occupation information for each donor may also be a problem.

For the reasons stated above, it is clear that the threshold amount for detailed reporting of donor information should be increased from \$100 to \$250 for donations to noncandidate committees.

Please support SB2204, with the attached amendment. Thank you for this opportunity to testify. If you have any questions concerning the above, please do not hesitate to contact me at (808) 242-4600, ext. 224.

Respectfully submitted,



Marilyn M. Niwao, J.D., CPA (also known as Marilyn Niwao Roberts)  
HAPA-PAC Chairperson

Enclosure

**Testimony of Marilyn M. Niwao, J.D., CPA  
In support of SB2204, with amendment**

**Suggested amendment to SB2204:**

**SECTION 3. Section 11-212, Hawaii Revised Statutes, is amended  
by amending subsection (b) to read as follows:**

"(b) Each noncandidate committee shall file a preliminary report with the commission [~~on forms provided by the commission, no later than 4:30 p.m.~~] on the tenth calendar day prior to each primary election and the tenth calendar day prior to a special or general election. Each report shall be certified pursuant to section 11-195 and shall contain the following information, which shall be current through the fifth calendar day prior to the filing of a preliminary report:

- (1) The aggregate sum of all contributions and other campaign receipts received;
- (2) The amount and date of deposit of the contribution and the name, address, employer, and occupation of each donor who contributes an aggregate of ~~\$100~~ \$250 or more during an election period, which has not previously been reported; provided that if all the information is not on file, the contribution shall be returned to the donor within thirty days of deposit;
- (3) The amount and date of each disbursement or contribution made to a candidate, party, organization, or committee, including the name and address of each payee, which has not previously been reported;
- (4) The amount and date of each expenditure made or incurred by the committee for or against any candidate, ballot issue, or on behalf of another committee, which has not previously been reported; and
- (5) A current statement of the balance on hand."

**Testimony of Marilyn M. Niwao, J.D., CPA  
In support of SB2204, with amendment**

**Suggested amendment to SB2204 (continued)**

**SECTION 4. SECTION 11-213, Hawaii Revised Statutes,  
is amended by amending subsection (b) to read as follows:**

"b) Each noncandidate committee shall file a final primary report, certified pursuant to section 11-195, [~~with the commission on forms provided by the commission no later than 4:30 p.m.~~] on the twentieth calendar day after a primary election. The report shall include the following information, which shall be current through the day of the primary election:

- (1) A statement of the total contributions and campaign receipts received;
- (2) The amount and date of deposit of each contribution and the name, address, employer, and occupation of each donor who contributes an aggregate of more than ~~\$100~~ \$250 during an election, which has not previously been reported;
- (3) The amount and date of each disbursement or contribution made to a candidate, party, organization, or committee, including the name and address of each payee, which has not previously been reported;
- (4) The amount and date of each expenditure made or incurred by the committee for or against any candidate, ballot issue, or on behalf of another committee, which has not previously been reported; and
- (5) A current statement of the balance on hand."