

Honolulu, Hawaii

Feb 26, 2010

RE: H.B. No. 2003
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2003, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to improve the campaign system and process by updating, organizing, and clarifying current campaign finance laws.

The Campaign Spending Commission (Commission) testified in support of this bill. The League of Women Voters of Hawaii; Americans for Democratic Action - Hawaii Chapter; and Common Cause Hawaii offered comments.

Your Committee has amended this bill by, among other things:

- (1) Inserting provisions regarding ballot issue committees as follows:
 - (A) Restricting a ballot issue committee to receiving contributions or making expenditures for or against any issue appearing on the ballot at the next applicable election;
 - (B) Prohibiting a ballot issue committee from receiving contributions or making expenditures to influence



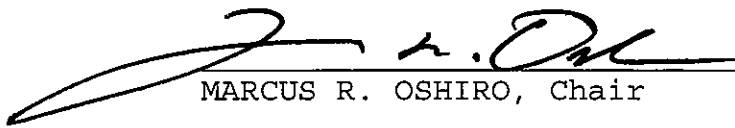
the nomination or election of a candidate to office;

- (C) Requiring a ballot issue committee to return all surplus funds to the contributors or donate funds to certain types of organizations, and requiring funds that are not returned or donated within 90 days after the election to escheat to the Hawaii Election Campaign Fund;
- (2) Prohibiting any person who enters into a contract with the State or any county in excess of \$50,000, if the contract is paid using funds appropriated by the Legislature, to, at any time between the execution of the contract through the completion of the contract:
 - (A) Contribute or promise to contribute to any political party, committee, or candidate, or to any person for any political purpose or use; or
 - (B) Solicit any contribution from any person for any purpose, during any period;
- and clarifying that the prohibition does not prohibit the establishment or administration of, or the solicitation of contributions to, any separate segregated fund by banks, corporations, or labor organizations to influence the nomination for election or the election of any person to office;
- (3) Clarifying that the prohibitions against contributions to certain candidates and candidate committees also apply to contributions made by noncandidate committees;
 - (4) Requiring a company to make all contributions and expenditures greater than \$1,000 in the aggregate in a two-year election period solely through the company's noncandidate committee, which must be registered with the Commission;
 - (5) Changing the effective date to January 1, 2020, to encourage further discussion; and
 - (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2003, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2003, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



