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STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION
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January 31, 2011

TO: The Honorable Gilbert S.C. Keith-Agaran, Chair
House Committee on Judiciary

The Honorable Karl Rhoads, Vice-Chair
House Committee on Judiciary

Members of the House Committee on Judiciary

FROM: Kristin Izumi-Nitao, Executive Director *KIN*
Campaign Spending Commission

SUBJECT: Testimony on H.B. No. 258, Relating to Campaign Spending¹

Tuesday, February 1, 2011
2:00 p.m., Conference Room 325

Thank you for the opportunity to testify on this bill. The Campaign Spending Commission ("Commission") strongly supports this bill and urges the Committee to pass the bill.

The 2012 primary election will be held on August 11, 2012. The election was advanced to the second Saturday in August (from the second to the last Saturday in September) pursuant to Act 126, SLH 2010 ("Act 126"). Act 126, however, did not change any filing deadlines for disclosure reports.²

The purpose of this bill is to maintain transparency of campaign spending.

- This would be accomplished by aligning the filing deadlines for candidate committee reports with the earlier primary election date.
- Moreover, campaign spending information should be available at approximately the same intervals that information was available under the prior statute to provide access to current campaign spending information. This would be accomplished by a candidate committee and noncandidate committee filing one additional report.

¹ This bill is a single referral to this Committee. The companion bill (S.B. No. 989, Relating to Campaign Spending) was referred to the Senate Committee on Judiciary and Labor.

² The Commission made these requests last year in testimony regarding both H.B. No. 2397 (which was enacted as Act 126) and S.B. No. 2819 (the companion bill). The Legislature, however, was focused on the change in the primary election date.

More specifically, section 1 of the bill amends subsection (a) of §11-334 (Time for candidate committee to file preliminary, final, and supplemental reports) as follows:

- Changes the deadline for filing the first preliminary primary report from July 31 to July 5;
- Adds a requirement to file a first preliminary general report on September 30; and
- Adds a new subsection (c) to address a gap in Act 211 and the prior statute. An individual who is a “candidate” before an election year is not subject to reporting requirements until the election year begins. This provision would require a “candidate” to file reports before an election year.

Section 2 amends subsection (a) of §11-336 (Time for noncandidate committee to file preliminary, final, and supplemental reports) because of the change in the primary election date. This bill adds a requirement to file a first preliminary general report on September 30 (same as the change for a candidate committee proposed in section 1 of the bill).

In Part I of our testimony we discuss candidate committee reports; and in Part II we discuss noncandidate committee reports.

I. CANDIDATE COMMITTEE REPORTS

A. Reporting deadlines under Act 126, SLH 2010

Reports must be filed in the 2012 election year by candidates for the House of Representatives, Kauai Mayor and Neighbor Island County Council³ as follows:

Due date	Reporting period	Type of Report
01/31/2012	07/01/2011 to 12/31/2011	Supplemental
07/31/2012	01/01/2012 to 06/30/2012	1 st Preliminary Primary Report
08/01/2012	07/01/2012 to 07/27/2012	2 nd Preliminary Primary Report
August 11, 2012		Primary Election
08/31/2012	07/28/2012 to 08/11/2012	Final Primary Report
10/29/2012	08/12/2012 to 10/22/2012	Preliminary General Report ⁴
10/29/2012	01/01/2012 to 10/22/2012	Preliminary General Report ⁵
November 6, 2012		General Election
12/06/2012	10/23/2012 to 11/06/2012	Final Election Period Report; ⁶ or
12/06/2012	08/12/2012 to 11/06/2012	Final Election Period Report; ⁷ or

³ There are 5 reporting schedules for candidates, with slight differences depending on the office sought.

⁴ This report is filed by a candidate that won in the Primary Election and advanced to the General Election. This report is not filed by a candidate that won outright or was unsuccessful in the Primary Election.

⁵ This is the first report filed by a candidate for the Office of Hawaiian Affairs.

⁶ This report is filed by a candidate that filed the Preliminary General Report.

⁷ This report is filed by a candidate who won outright or was unsuccessful in the Primary Election and who did not file the Preliminary General Report.

12/06/2012	01/01/2012 to 11/06/2012	Final Election Period Report ⁸
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- Under Act 126, the reporting deadlines for the first preliminary primary report and second preliminary primary report are only one day apart (July 31 and August 1, respectively).
- There also is a 59-day gap between the August 31, 2012 deadline for the candidate committee's final primary report and the October 29, 2012 deadline for the preliminary general report. There would be less transparency because current campaign spending information would not be available during this gap. During the peak of the 2010 election, by contrast, the time-period between the regular candidate committee reports filed varied from seventeen to thirty days. Reports were due in 2010 on September 8, October 8, and October 25.

B. Reporting deadlines under this bill

In order to address the concerns above, this bill proposes⁹ that candidate committees file reports in the 2012 election year as follows:

Due date	Reporting period	Type of Report
01/31/2012	07/01/2011 to 12/31/2011	Supplemental
07/31/2012 <u>07/05/2012</u>	01/01/2012 to 06/30/2012	1 st Preliminary Primary Report
08/01/2012	07/01/2012 to 07/27/2012	2 nd Preliminary Primary Report
August 11, 2012		Primary Election
08/31/2012	07/28/2012 to 08/11/2012	Final Primary Report
10/29/2012 <u>09/30/2012</u>	08/12/2012 to 10/22/2012 <u>09/25/2012</u>	1 st Preliminary General Report ¹⁰
<u>10/29/2012</u>	<u>09/26/2012</u> to 10/22/2012	2 nd Preliminary General Report
10/29/2012	01/01/2012 to 10/22/2012	Preliminary General Report ¹¹
November 6, 2012		General Election
12/06/2012	10/23/2012 to 11/06/2012	Final Election Period Report, ¹² or
12/06/2012	08/12/2012 to 11/06/2012	Final Election Period Report, ¹³ or

⁸ This report is filed by a candidate whose aggregate contributions and aggregate expenditures for the election period total \$1,000 or less. All previous reports, with the exception of the Organizational Report, are not required to be filed.

⁹ Changes are in ramseyer format.

¹⁰ This form is filed by a candidate that was successful in the Primary Election and advanced to the General Election. This report is not filed by a candidate that won outright or was unsuccessful in the Primary Election. See the Final Election Period Report

¹¹ This is the first report filed by a candidate for the Office of Hawaiian Affairs.

¹² This report is filed by a candidate that filed the 1st Preliminary General Report.

12/06/2012	01/01/2012 to 11/06/2012	Final Election Period Report ¹⁴
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II. NONCANDIDATE COMMITTEE REPORTS

A. Reporting deadlines under Act 126, SLH 2010

Reports must be filed by a noncandidate committee in the 2012 election, pursuant to Act 126, as follows:

Due date	Reporting period	Type of Report
01/31/2012	07/01/2011 to 12/31/2011	Supplemental Report
08/01/2012	01/01/2012 to 07/27/2012	Preliminary Primary Report
August 11, 2012		Primary Election
08/31/2012	07/28/2012 to 08/11/2012	Final Primary Report
10/29/2012	08/12/2012 to 10/22/2012	Preliminary General Report
November 6, 2012		General Election
12/06/2012	10/23/2012 to 11/06/2012	Final Election Period Report

There will be a 59-day gap between the August 31, 2012 deadline for the noncandidate committee's final primary report and the October 29, 2012 deadline for the preliminary general report. There would be less transparency because current campaign spending information would not be available during this gap. During the peak of the 2010 election, by contrast, regular noncandidate committee reports were due on October 8 and October 25.

B. Reporting deadlines under this bill

In order to address the concern above, this bill proposes¹⁵ that noncandidate committees file reports in the 2012 election year as follows:

Due date	Reporting period	Type of Report
01/31/2012	07/01/2011 to 12/31/2011	Supplemental Report
08/01/2012	01/01/2012 to 07/27/2012	Preliminary Primary Report
August 11, 2012		Primary Election
08/31/2012	07/28/2012 to 08/11/2012	Final Primary Report
<u>09/30/2012</u>	<u>08/12/2012 to 09/25/2012</u>	<u>1st Preliminary General Report</u>
10/29/2012	08/12/2012 <u>09/26/2012</u> to 10/22/2012	<u>2nd Preliminary General Report</u>
November 6, 2012		General Election
12/06/2012	10/23/2012 to 11/06/2012	Final Election Period Report

¹³ This report is filed by a candidate that won outright or was unsuccessful in the Primary Election and who did not file the 1st Preliminary General Report.

¹⁴ This report is filed by a candidate whose aggregate contributions and aggregate expenditures for the election period total \$1,000 or less. All previous reports, with the exception of the Organizational Report, are not required to be filed.

¹⁵ Changes are in ramseyer format.