

STAND. COM. REP. NO. 639 -12

Honolulu, Hawaii

Feb 17 , 2012

RE: H.B. No. 2174
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 2174 entitled:

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

begs leave to report as follows:

The purpose of this measure is to make various amendments to Hawaii campaign spending law by, among other things:

- (1) Making all reports available for public inspection on the Campaign Spending Commission's (Commission) website in a searchable database;
- (2) Clarifying that an officer of a corporation must file a report regarding expenditures of more than \$1,000 per two year election period made to a candidate, candidate committee, or noncandidate committee;
- (3) Requiring that noncandidate committee reports disclosing expenditures for advertisements or electioneering communications must specify the names, if known, of the candidates identified or to be identified;
- (4) Authorizing the Commission to assess a fine against a person, party, or candidate for failure to file required reports;



- (5) Mandating that the Commission adopt, amend, or repeal rules to ensure the proper disclosure of contributions and expenditures in accordance with Part III of Chapter 11, Hawaii Revised Statutes, along with other requirements; and
- (6) Mandating that the comptroller promptly notify the Legislature of the adoption, amendment, or repeal of the foregoing rules and requirements and provide statewide public notice of the adoption, amendment, or repeal of the rules.

Common Cause Hawaii and two concerned citizens testified in support of this measure. The Department of the Attorney General supported the intent of this measure and suggested amendments. The Campaign Spending Commission and Americans for Democratic Action/Hawaii submitted comments on this measure.

Your Committee has amended this measure by:

- (1) Including a preamble;
- (2) Adding a definition of the word "entity";
- (3) Clarifying that any person who fails to file or files a substantially defective or deficient report is subject to monitoring and penalties;
- (4) Requiring that every report to be filed by an individual or entity must be certified as complete and accurate by that individual or entity;
- (5) Deleting the provisions that attempted to require officers of corporations to file reports, as being redundant;
- (6) Adding additional disclosure requirements for noncandidate committee reports;
- (7) Requiring that any expenditure paid for that will be rendered during the last three days of an election period must also be included in a late expenditures report;
- (8) Requiring late reports from entities that make contributions or independent expenditures in an



aggregate amount of more than \$500 within fourteen through four calendar days prior to any election;

- (9) Replacing the Comptroller with the Executive Director of the Campaign Spending Commission as the person who must notify the Legislature and public regarding the adoption, amendment, or repeal of rules concerning the disclosure of contributions and expenditures;
- (10) Mandating additional information to be contained in each statement of information;
- (11) Mandating certain requirements for advertisements;
- (12) Changing the effective date for this bill to January 7, 2059, to promote further discussion; and
- (13) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2174, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2174, H.D. 1, and be referred to the Committee on Finance.

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



GILBERT KEITH-AGARAN, Chair



