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STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION
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February 23, 2012

TO: The Honorable Marcus R. Oshiro, Chair
House Committee on Finance

The Honorable Marilyn B. Lee, Vice Chair
House Committee on Finance

Members of the House Committee on Finance

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

SUBJECT: Testimony on H.B. No. 1756, H.D. 1, Relating to Campaign Spending

Friday, February 24, 2012
12:00 p.m., Conference Room 308

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

Section 1 of the bill amends §11-301 (definitions), Hawaii Revised Statutes ("HRS"), by adding a definition of "matching payment period." In that same section, the definition of "qualifying contribution" includes a reference to a matching payment period during which a candidate seeking public funding may receive qualifying contributions of \$100 or less. The definition of "matching payment period" was included in a prior law (HRS §11-191 (2009 Replacement)). Adding the definition of "matching payment period" back to the statute would allow Commission staff to better implement the partial public financing program.

Section 2 of the bill makes "housekeeping" amendments to HRS §11-314 (duties of the Commission). For example, the bill replaces "duplicating" with "duplication" in subsection 4. The bill does not enlarge or curtail the duties of the Commission in any manner.

Section 3 of the bill amends HRS §11-334(a)(1)(A) (time to file preliminary, final, and supplemental reports) by changing the due date of the 1st Preliminary Primary Report from "July 31 of the election year" to "thirty calendar days prior to a primary election." Act 126, Sess. Laws Haw. (2010), advanced the date of the primary election from the last Saturday in September to the second Saturday in August. Thus, if the due

date for the 1st Preliminary Primary Report is not also advanced, in election years such as this year, candidates will have back-to-back reporting deadlines of July 31st and August 1st to file the 1st Preliminary Primary Report and the 2nd Preliminary Primary Report, respectively.

Section 3 of the bill also amends HRS §11-334(a)(4), to more clearly align the law with present practice. Presently, every candidate files the Supplemental Report that is due on January 31st every year and not just on January 31st after an election year. **This bill does not require an additional or new report.** That is, every sitting senator and member of the House of Representatives, and every other elected state and county official (along with all other candidate committees registered with the Commission) filed the Supplemental Report that was due on January 31, 2012. This bill would simply align the law with present practice by deleting "after an election year" from the statutory provision and provide that the Supplemental Report is due on "January 31 of each year." If this amendment is not passed, the Commission may not be able to require the filing of the January Supplemental Report in an election year leaving a one-year gap (July 1st of a nonelection year to June 30th of an election year) in reporting by candidate committees.

Section 4 of the bill amends HRS §11-335 (noncandidate committee reports) by separating the reporting of contributions into contributions received and contributions made by noncandidate committees, and requiring noncandidate committees to identify the candidate supported or opposed by the committees' independent expenditures. This will align the statute with the reality that noncandidate committees both make and receive contributions and report them, and to promote transparency of spending on independent expenditures.

Section 5 of the bill amends HRS §11-423 (voluntary expenditure limits; filing affidavit) by amending subsection (b) to require candidates to file the affidavit to abide by statutory expenditure limits no later than the time to file nomination papers. This timeline is contained in §12-6(e)¹ and was provided for in the prior campaign spending law (§11-208(c) (2009 Replacement)). This would allow Commission staff to better implement the partial public financing program and **achieve compliance with state election laws.**

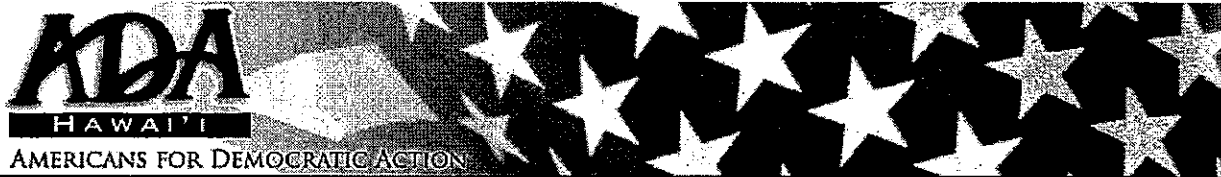
Finally, section 5 of the bill, as originally introduced in the House, also proposed an amendment to HRS §11-423 that proposed amending subsection (d) by adding "prosecuting attorney" to paragraph (4). Thus, the prosecuting attorney, along with state senators, state representatives, and county council members participating in the partial public financing program would be able to spend \$1.40 multiplied by the number of

¹ HRS §12-6(e) provides, "Upon the showing of a certified copy of an affidavit which has been filed with the campaign spending commission pursuant to section 11-208 by a candidate who has voluntarily agreed to abide by spending limits, the chief election officer or clerk shall discount the filing fee of the candidate by the following amounts: (1) For the office of the governor and lieutenant governor -- \$675; (2) For the office of mayor -- \$450; and (3) For all other offices -- \$225."

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registered voters in the voting district. We urge this Committee to reinstate this amendment. This amendment reinstates language deleted by Act 203, Sess. Laws Haw. (2005). This deletion forced the Commission to place the prosecuting attorney in the "all other offices" category of spending limit, *i.e.*, 20 cents multiplied by the number of registered voters in the voting district. This seems unreasonable given the fact that the prosecuting attorney is a county-wide office. For example, under current law, the expenditure limit for the Honolulu Prosecuting Attorney for the 2012 elections is \$81,560 while the expenditure limit for the Honolulu Mayor is \$815,602. The expenditure limit for the Hawaii County Prosecuting Attorney for the 2012 elections is \$17,978 while the expenditure limit for the Hawaii County Mayor is \$179,776. Finally, the expenditure limit for the Kauai County Prosecuting Attorney for the 2012 elections is \$7,167 while the expenditure limit for the Kauai County Mayor is \$71,672.

This bill has a companion bill in the Senate, S.B. No. 2493. That companion bill was passed, with amendments, by the Senate Committee on Judiciary and Labor on January 15, 2012. S.B. No. 2493, S.D. 1 has been referred to the Senate Committee on Ways and Means. S.B. No. 2493, S.D. 1, removed the amendment to HRS §11-423 dealing with the time to file the affidavit to abide by campaign spending limits.



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February 22, 2012

TO: Chair Marcus Oshiro, Vice Chair Marilyn Lee
Members of the House Committee on Finance

FROM: Americans for Democratic Action/Hawaii
Barbara Polk, Legislative Chair

RE: SUPPORT FOR HB 1756 HD 1 RELATING TO ELECTIONS

Americans for Democratic Action/Hawaii supports HB 1756 which would make changes in reporting dates due to changes in the change in the date of the primary election and to expand reporting requirements for noncandidate committees.

We strongly encourage the committee to pass this bill.



LEAGUE OF
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League of Women Voters of Hawaii

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Committee on Finance
Marcus R. Oshiro, Marilyn B. Lee

February 24, 2012, 12:00 pm, Room 308
HB 1756 HD1 RELATING TO CAMPAIGN FINANCING

TESTIMONY

Beppie Shapiro, President, League of Women Voters of Hawaii

Chair Oshiro, Vice Chair Lee, and Committee Members:

The League of Women Voters of Hawaii strongly supports Section 4 of HB1756 HD1. This section creates strong standards for disclosure by non-candidate committees in election campaigns. These standards would allow the public to understand the source and intent of messages they hear or read during a campaign. An informed public is essential to successful democratic government.

The League takes no position on the other sections of HB1756 HD1.

Thank you for the opportunity to testify.