



LATE TESTIMONY

Tuesday, February 1, 2011
State Capitol Room 325

HB 257 Relating to Campaign Spending

To: House Committee on Judiciary
Representative Keith-Agaran, Chair
Representative Rhoads, Vice Chair

Testimony of: Debi Hartmann
Executive Director
Democratic Party of Hawai'i

My name is Debi Hartmann, I am the Executive Director for the Democratic Party of Hawai'i. We support the intent and purpose of HB 257 and would like to suggest one housekeeping measure if appropriate.

- Page 7, Line 21. We believe that letter (l) could be bracketed as candidates for the Board of Education will no longer be making application for election purposes.

Thank you for your kind attention to this matter

DEMOCRATIC PARTY OF HAWAII

1050 Ala Moana Blvd., Suite #2660 * Honolulu, HI 96814 * Phone: (808) 596-2980 * Fax: (808) 596-2985





Hawaii
COMMON CAUSE
Holding Power Accountable

P.O. Box 22703 • Honolulu, Hawaii 96823 • (808) 275-6275

Web: www.commoncausehawaii.org • Email: info@commoncausehawaii.org

LATE TESTIMONY

House JUD Committee
Chair Gilbert Keith-Agaran, Vice Chair Karl Rhoads

Tuesday 2/1/11 at 2:00 PM in Room 325
HB 257 – Campaign Spending

TESTIMONY

Nikki Love, Executive Director, Common Cause Hawaii

Chair Keith-Agaran, Vice Chair Rhoads, and Committee Members:

Common Cause Hawaii supports the intent of HB 257, which makes various changes to the campaign spending law. We ask the Committee to incorporate the contents of HB 872.

Our primary concern this year with respect to campaign finance is how to handle the issue of independent expenditures – spending by corporations, PACs (noncandidate committees), and other outside entities to influence political campaigns.

In the wake of *Citizens United v. FEC* at the federal level and *Tavares v. Wong* at the state level, **independent expenditures are now unlimited and growing, and we are doing a poor job of ensuring transparency.** According to the National Institute on Money in State Politics, Hawaii has ranked in the bottom half of the nation with respect to disclosure for independent expenditures. A comprehensive solution is needed.

Independent expenditures are disclosed in Hawaii via either (1) noncandidate committee reports, or (2) electioneering communications statements. In this bill, Pages 11-15 provide some good changes to these sections. However, it does not go far enough. We ask the Committee to consider the following issues:

1) Corporations' independent expenditures are not disclosed – Under a new law passed last year, corporations fall under a separate section of the campaign spending law (HRS 11-332) and are only required to disclose their direct contributions to candidates. So, it seems that corporations' independent expenditures are NOT disclosed anywhere, unless they meet the criteria/threshold for the electioneering statements. One way to address this may be to require any entity spending over \$X to file noncandidate committee reports. Then, all spending – both direct contributions and independent expenditures – would be disclosed in the noncandidate committee reports.

2) Noncandidate committee reports are not timely enough in the last days of the campaign – Because of the reporting dates, it appears that noncandidate committees could spend large amounts in the days leading up to an election, but those wouldn't be disclosed until after the election. To address this, the law should require "late expenditures" reporting, or 24-hour reporting for large expenses. (To

compare: electioneering communications statements must be filed within 24 hours of the expense. Note that noncandidate committees are not required to file electioneering communications statements.)

3) Electioneering communications statements are in PDF form only – Right now these statements are posted on the Campaign Spending Commission website as PDFs. We suggest those entities be required to report electronically, so that they are available in a searchable database, just like the other disclosure reports on the CSC website.

These issues above appear to be addressed in HB 872, so we recommend that the Committee pass HB 872 or incorporate those elements into this bill.

Mahalo for the opportunity to submit testimony.