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**STATE OF HAWAII**  
**CAMPAIGN SPENDING COMMISSION**  
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March 2, 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

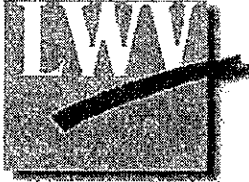
**FROM:** Kristin Izumi-Nitao, Executive Director *KIN*  
Campaign Spending Commission

**SUBJECT: Testimony on H.B. No. 443, Relating to Campaign Contributions**

Thursday, March 3, 2011  
2:30 p.m., Conference Room 329

Chair Keith-Agaran, Vice-Chair Rhoads, and Members of the House Judiciary Committee, thank you for the opportunity to submit testimony on this bill. The Campaign Spending Commission ("Commission") supports the intent behind this bill, but has concerns regarding implementation.

H.B. 443 seeks to extend the prohibition of campaign contributions by state and county contractors to subcontractors and contract bidders. Although the Commission appreciates the purpose behind this bill, it would be very difficult for us to identify whether a contribution to a candidate committee, noncandidate committee, or to any candidate or to any person for any political purpose or use, is from a subcontractor and/or contract bidder to ensure compliance. In consideration of present responsibilities and resources, the Commission would have to largely depend and rely upon self-regulation and outside referrals if this bill were enacted.



# THE LEAGUE OF WOMEN VOTERS OF HAWAII

## TESTIMONY ON HB 443, RELATING TO CAMPAIGN CONTRIBUTIONS

Committee on Judiciary  
Thursday, March 3, 2011  
2:30 PM  
Conference Room 329

Testifier: JoAnn Maruoka, LWV-HI Legislative Committee

Chair Keith-Agaran, Vice Chair Rhoads, and members of the Judiciary Committee,

The League of Women Voters of Hawaii supports HB 443 as sound, good sense strengthening of campaign contribution restrictions. We are in favor of appropriate actions that help advance ethical behavior, and preclude, or at least reduce the risks of improper influence and corruption in government.

By adding subcontractors and contract bidders to those prohibited from making campaign contributions, this bill should decrease the possibility for inappropriate contribution pressures and/or actions by those who are part of existing contracts, as well as those involved in seeking government contracts. In fact, for contract bidders, this would smartly begin the ban on contributions in a timely manner that helps avoid a problem -- before contracts are awarded.

For government to work, people must have faith in the integrity of elected officials and a culture of honesty. This bill not only adds to the perceptions of integrity and honesty, but helps assure them.

We urge you to pass HB 443 and thank you for this opportunity to testify on it.



AMERICANS FOR DEMOCRATIC ACTION

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March 2, 2011

**TO:** Chair Gilbert Keith-Agaran, Vice-Chair Karl Rhoads  
Members of the House Committee on the Judiciary

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

**SUBJECT:** SUPPORT FOR HB 443 RELATING TO CAMPAIGN CONTRIBUTIONS

Americans for Democratic Action/Hawaii strongly supports this bill, which would bar political contributions or solicitations by sub-contractors and contract bidders during the duration of a public contract. In addition, it would bar those who bid for a public contract from making political contributions from the time the bid is solicited until it is awarded.

These provisions extend the current limitations on contractor donations and greatly add to the integrity of the process of awarding and carrying out government contracts. In this way it would serve to increase public trust in government.

We urge your support for this bill.

# ***SAH - Subcontractors Association of Hawaii***

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March 3, 2011

Testimony To: House Committee on Judiciary  
Representative Gilbert S.C. Keith-Agaran, Chair

Presented By: Tim Lyons  
President

Subject: H.B. 443 – RELATING TO CAMPAIGN CONTRIBUTIONS

Chair Keith-Agaran and Members of the Committee:

I am Tim Lyons, President of the Subcontractors Association of Hawaii and we oppose this bill.

The Subcontractors Association of Hawaii is composed of the following nine separate and distinct subcontracting organizations which include:

HAWAII FLOORING ASSOCIATION

ROOFING CONTRACTORS ASSOCIATION OF HAWAII

HAWAII WALL AND CEILING INDUSTRIES ASSOCIATION

TILE CONTRACTORS PROMOTIONAL PROGRAM

PLUMBING AND MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII

SHEETMETAL CONTRACTORS ASSOCIATION OF HAWAII

PAINTING AND DECORATING CONTRACTORS ASSOCIATION

PACIFIC INSULATION CONTRACTORS ASSOCIATION

ELECTRICAL CONTRACTORS ASSOCIATION OF HAWAII

We really don't want to get in the way of "clean government" efforts however, we feel this bill is unfairly directed towards subcontractors who participate in government contracts.

As we understood, the intent of this type of legislation was to control the possible influence a contribution might have which could cloud the successful receipt of a contract. The problem is that these contracts are not negotiated but are bid and the low bidder gets the contract regardless of who knows who or, who contributed to whom. To extend this to subcontractors where prices are the prevailing rule not qualifications, not influence, not even track record, we think is ludicrous and goes far beyond what appears to be the intent.

More importantly, it distinctly puts subcontractors who do work for government at a huge disadvantage to contractors who don't. The prohibition that is contained in this bill also applies to non-candidate committees and we have never seen one instance where the existence of a non-candidate committee carried the weight to provide someone to award a contract to somebody other than the low-bidder. The numbers are public.

Based on that and the distortion that this bill provides in the law, we are not in support of its passage.

Thank you.