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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 872 Relating to Campaigns

TESTIMONY

Nikki Love, Executive Director, Common Cause Hawaii

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

Common Cause Hawaii supports HB 872, which makes various changes to the campaign spending law in order to address 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 ranks 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. This bill includes a number of important adjustments to these sections of the law to improve transparency:

- 1) **Requires disclosure of corporations' independent expenditures (page 2).** 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. This bill addresses this by requiring any entity spending over \$1,000 in a 2-year cycle to file noncandidate committee reports. Then, all spending – both direct contributions and independent expenditures – would be disclosed in the noncandidate committee reports.
- 2) **Ensures noncandidate committee reports are timely in the last days of the campaign (page 2).** 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. This bill addresses this issue by requiring a "Late Expenditures" report.
- 3) **Improves the noncandidate committee reports by clarifying the details of the contributions and expenditures reported (page 7).** This is also addressed in HB 257.

- 4) **Changes the timing of noncandidate committee reporting deadlines (page 8),** so that they are available to the public before walk-in voting.
- 5) **Improves electioneering communications statements by requiring disclosure of the executives/board of the entity (page 9).** This provides greater information to the public, so that those doing the electioneering cannot hide behind an ambiguous entity name.
- 6) **Improves electioneering communications statements by requiring disclosure of donors to that entity (page 10).** This is important because currently most entities filing electioneering communications statements report “none” under “Contributions Received for the Electioneering Communications,” so the public does not know where their funds are coming from.
- 7) **Requires electronic filing of electioneering communications statements (page 12).** Right now these statements are posted on the Campaign Spending Commission website as PDFs. These entities would be required to report electronically, so that they are available in a searchable database, just like the other disclosure reports on the CSC website.
- 8) **Repeals HRS 11-332 regarding corporations’ reporting of contributions (page 13).** This section would no longer be needed, since corporations (and all entities spending over \$1,000) would be required to report as noncandidate committees.

We urge the committee to pass HB 872.

Mahalo for the opportunity to submit testimony.

LATE TESTIMONY

Representative Gilbert Keith-Agaran, Chair
Representative Karl Rhoads, Vice-Chair
Judiciary Committee

House of Representatives of the State of Hawai'i

Lance D. Collins, Ph.D
Law Office of Lance D Collins

Tuesday, February 1, 2011
Support HB No. 872, Relating to Campaigns

My name is Lance D. Collins. I am an attorney in private practice on the island of Maui and testify on my own behalf. I **support** this bill.

In light of the unprecedented contraction of fairness in campaigns for public office in the case of Citizens United v. FEC, this bill is a much-needed comprehensive approach to address independent expenditures in campaigns. I

The present understanding of the constitution does not permit limiting independent expenditures in campaigns. However, the government is free to require disclosure which can assist the public in determining when and if significant donations impact policy decision-making and implementation.

According to the National Institute on Money in State Politics, Hawai'i has ranked in the bottom half of the nation with respect to disclosure for independent expenditures. Revisions to the present state of the law is needed and necessary.

Thank you for this opportunity to provide testimony on this measure.

Mahalo.

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LATE TESTIMONY

February 1, 2011, 2:00PM, Room 325, HB872

To: The Honorable Representative Gilbert S.C. Keith-Agaran

House Committee on Judiciary

From: Cherilyn Inouye

Re: SUPPORT FOR HB872

Aloha Chair Keith-Agaran, Vice Chair Rhoads, and Members of the Committee:

I STRONGLY support HB872. As a citizen who believes in fair elections and a truly democratic process where the voices of citizens count, I believe that this bill is necessary in making campaign spending transparent. Corporations now have the ability to unfairly and disproportionately influence elections through large contributions. I think this bill is a step towards an electoral process that encourages candidates to represent all their constituents and not just those who contribute large sums of money to their campaigns.

Thank you for the opportunity to testify in support of HB872.

Cherilyn Inouye
3228 Harding Avenue
Honolulu, HI 96816
808-391-4141
cherilynminouye@gmail.com

LATE TESTIMONY

February 1, 2011, 2:00PM, Room 325, HB872

To: The Honorable Representative Gilbert S.C. Keith-Agaran

House Committee on Judiciary

From: Cherilyn Inouye

Re: SUPPORT FOR HB872

Aloha Chair Keith-Agaran, Vice Chair Rhoads, and Members of the Committee:

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Cherilyn Inouye
3228 Harding Avenue
Honolulu, HI 96816
808-391-4141
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Testimony for JUD 2/1/2011 2:00:00 PM HB872

Conference room: 325
Testifier position: support
Testifier will be present: No
Submitted by: Brian Bell
Organization: Individual
Address: 4626 Sierra Dr Honolulu, HI
Phone: 808-227-7087
E-mail: reachbrianbell@yahoo.com
Submitted on: 1/31/2011

LATE TESTIMONY

Comments:

Aloha Chair Keith-Agaran and members of the Committee:

It is with great pleasure that I submit my testimony in support of HB 872. Citizen United v. FEC and the subsequent four billion dollar spending spree in the last election has made it abundantly clear that we need a way to track independent expenditures influencing political campaigns. I really appreciate the strong reporting requirements in this bill that will help reign in this attack on our democracy.

With these independent expenditures growing and since we cannot legally stop them, we must make them as transparent as possible. This will of course be an interim step, but nevertheless one that we must make. With the National Institute on Money in State Politics reporting that Hawaii ranks near the bottom in this type of reporting, we need to see this bill through.

Mahalo for considering my testimony.

Brian Bell
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