

Honolulu, Hawaii

April 26, 2013

RE: H.B. No. 1147  
H.D. 2  
S.D. 2  
C.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1147, H.D. 2, S.D. 2, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to encourage transparency in the elections process by:

- (1) Requiring noncandidate committees that make only independent expenditures to identify certain top contributors in their advertisements, while providing an exemption for any radio or television advertisement of such short duration that the identification of top contributors would constitute a hardship;



- (2) Clarifying that all fines collected for the failure to file candidate or noncandidate committee reports, or for the filing of substantially defective or deficient reports shall be deposited into the general fund;
- (3) Requiring all reports filed with the Campaign Spending Commission to be made publicly available on the Commission's website in a searchable database;
- (4) Expanding the information regarding contributions and expenditures required to be disclosed in noncandidate committee reports;
- (5) Requiring noncandidate committees making only independent expenditures to certify that no expenditures have been coordinated with a candidate, candidate committee, or any agent thereof;
- (6) Establishing reporting requirements for late expenditures made shortly before an election;
- (7) Expanding the information required to be included in statements of information filed for electioneering communications;
- (8) Broadening the definition of "electioneering communication" to include any advertisement that is published by electronic means;
- (9) Amending disclosure requirements for advertisements; and
- (10) Repealing corporate campaign contribution reporting requirements that are redundant with filing requirements for noncandidate committees, which are made applicable to corporations by this measure.

Your Committee on Conference finds that additional disclosure of information regarding election campaign contributions and expenditures is necessary due to the recent decision of the United States Supreme Court in *Citizens United v. Federal Election Commission*, 558 U.S. 310 (2010), and subsequent case law. These decisions have led to the proliferation of SuperPACS, noncandidate committees who make only independent expenditures, and their virtually unlimited spending in the political arena.



Hawaii's experience in the most recent election cycle, when SuperPACs were formed and enormous quantities were expended on campaign advertising aiming to influence voters, demonstrates the need to amend the state's campaign finance laws in order to give the public access to information about who is influencing elections. Many of the noncandidate committees that certified to the state Campaign Spending Commission that they were making only independent expenditures during the 2012 election had contributors who contributed very large sums of money, at or above \$10,000 from each contributor in the aggregate. Further, many had contributors who contributed over \$50,000, \$100,000, and \$150,000. These numbers are quite significant in light of the fact that many of Hawaii's electoral races cover small areas or constituencies.

Current law requires only that the name of the SuperPAC, which can be meaningless or misleading, be disclosed in a campaign advertisement. This level of disclosure is inadequate to provide the electorate with information showing the true source of the funds behind the advertising seeking to influence their vote at the time the advertisement reaches the public. The additional reporting requirement for campaign advertisements creates more effective disclosure by requiring the disclosure of top contributors to big money SuperPACs in the advertisements themselves, so that the true funding sources are made transparent to the public.

Accordingly, your Committee on Conference has amended the measure by:

- (1) Clarifying that where a noncandidate committee that makes only independent expenditures has more than three top contributors who contributed in equal amounts, the noncandidate committee may select which of the top contributors to identify;
- (2) Changing the effective date to November 5, 2014; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.


As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1147, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1147, H.D. 2, S.D. 2, C.D. 1.




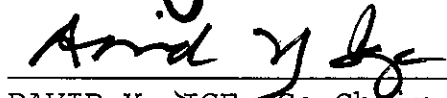
Respectfully submitted on behalf  
of the managers:


ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE

  
\_\_\_\_\_  
CLAYTON HEE, Chair

  
\_\_\_\_\_  
KARL RHOADS, Co-Chair

  
\_\_\_\_\_  
DAVID Y. ICE, Co-Chair

  
\_\_\_\_\_  
TY J.K. CULLEN, Co-Chair



CCP-125

Hawaii State Legislature

Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: <b>HB 1147, HD 2, SD 2</b>	Date/Time: <i>April 26, 2013 / 5:32 pm</i>
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The recommendation of the House and Senate managers is to pass with amendments (CD).

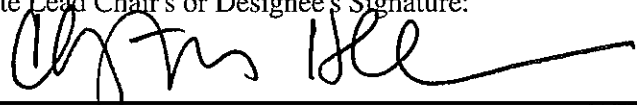

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
HEE, Clayton, Chr.	X				RHOADS, Karl, Co-Chr.	X			
IGE, David Y., Co-Chr.	X				CULLEN, Ty J.K., Co-Chr.	X			
SLOM, Sam				X	TAKAYAMA, Gregg	X			
					THIELEN, Cynthia	X			
TOTAL	2	0	0	1	TOTAL	4	0	0	0

A = Aye      WR = Aye with Reservations      N = Nay      E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
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Distribution:      Original      Yellow      Pink      Goldenrod  
 File with Conference Committee Report      House Clerk's Office      Senate Clerk's Office      Drafting Agency