

Honolulu, Hawaii

MAR 22 2013

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

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

Madam:

Your Committee on Judiciary and Labor, to which was referred
H.B. No. 1147, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to enhance the
disclosure requirements of Hawaii's campaign finance laws.
Specifically, this measure:

- (1) Establishes disclosure requirements for advertisements
by:
 - (A) Requiring noncandidate committees that make only
independent expenditures to identify certain top
contributors in their advertisements, providing an
exemption for any noncandidate committee if
including a list of top contributors in an
advertisement of short duration constitutes a
hardship to the noncandidate committee;
 - (B) Providing penalties for violations; and
 - (C) Defining top contributors;
- (2) Clarifies that any person, as defined in section 11-302,
Hawaii Revised Statutes, who fails to file or files a
substantially defective or deficient campaign spending



report is subject to monitoring and penalties including fines;

- (3) Requires the Campaign Spending Commission (Commission) to make all reports filed with the Commission publicly available on the Commission's website in a searchable database;
- (4) Amends the contribution and expenditure reporting requirements for candidates, candidate committees, and noncandidate committees by requiring noncandidate committees making only independent expenditures to certify that no expenditures have been coordinated with a candidate, candidate committee, or any agent of a candidate or candidate committee;
- (5) Clarifies the filing requirements for late contribution and late expenditure reports for candidates, candidate committees, and noncandidate committees;
- (6) Expands the information required to be included in any statement of information filed with the Commission to report electioneering communication expenditures to include the identities of the individuals who authorized the expenditure, candidates supported or opposed by the communication, and certain top contributors;
- (7) Expands the definition of "electioneering communication" to include any advertisement that is published by electronic means; and
- (8) Repeals filing requirements specific to corporations.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Campaign Spending Commission, League of Women Voters of Hawaii, Common Cause Hawaii, Americans for Democratic Action/Hawaii, Open Law Alliance, Community Alliance on Prisons, Life of the Land, and five individuals. Testimony in opposition to this measure was submitted by one individual.

Your Committee finds that disclosure is an important issue in the election process in light of the dramatic changes in policy regarding corporate contributions, as reflected in the recent decision of the United States Supreme Court in *Citizens United v.*



Federal Election Commission, 130 S. Ct. 876 (2010). These policy changes have paved the way for unlimited spending by corporations and unions to influence elections. New super political action committees and other entities are established at the federal and state levels to take advantage of these new pathways for campaign money contributions. This measure strengthens the State's disclosure requirements under campaign finance laws.

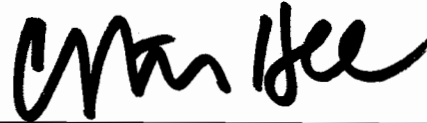
Your Committee has amended this measure by:

- (1) Adopting the amendments suggested by the Department of the Attorney General to:
 - (A) Amend the language of the disclosure requirements relating to a noncandidate committee that has more than three top contributors who may be identified in an additional notice to apply to a noncandidate committee that has more than three top contributors who contributed in equal amounts; and
 - (B) Insert an effective date of November 5, 2014, to avoid amending campaign finance laws partway through an election period and allow the Campaign Spending Commission sufficient time to implement this measure if it becomes law; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1147, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1147, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,

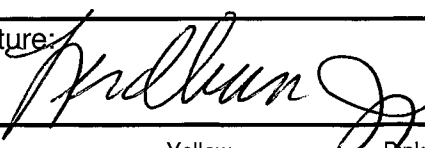


CLAYTON HEE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1147 HD 2	JDL, WAM	3-19-13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile S.L. (VC)				✓
GABBARD, Mike	✓			
IHARA, Jr., Les	✓			
SLOM, Sam		✓		
TOTAL	3	1	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes