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**STATE OF HAWAII  
CAMPAIGN SPENDING COMMISSION**

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HONOLULU, HAWAII 96813

January 30, 2013

TO: The Honorable Karl Rhoads, Chair  
House Committee on Judiciary

The Honorable Sharon E. Har, Vice Chair  
House Committee on Judiciary

Members of the House Committee on Judiciary

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

SUBJECT: **Testimony on H.B. No. 201, Relating to Campaign Spending**

Thursday, January 31, 2013  
2:05 p.m., Conference Room 325

Thank you for the opportunity to testify on this bill. The Campaign Spending Commission ("Commission") strongly supports this bill, but in the original form the Commission submitted to the Senate President for introduction in the House and Senate as reflected in S.B. No. 555. The Commission believes section 4 of the Commission's proposal was accidentally deleted when the measure was transmitted from the Senate President's office to the office of the Speaker of the House. The Commission asks that section 4 of S.B. No. 555 be re-inserted into this bill as section 4 by this Committee. See attached. Section 4 of S.B. No. 555 amends HRS §11-331(d)(2) by correcting an incorrect citation to HRS §11-323.

Section 1 of the bill amends §11-301 (definitions), Hawaii Revised Statutes ("HRS"), by adding a definition of "matching payment period." In that same section, the definition of "qualifying contribution" includes a reference to a matching payment period during which a candidate seeking public funding may receive qualifying contributions of \$100 or less. The definition of "matching payment period" was included in a prior law (HRS §11-191 (2009 Replacement)). Adding the definition of "matching payment period" back to the statute would allow Commission staff to better implement the partial public financing program.

Section 2 of the bill makes "housekeeping" amendments to HRS §11-314 (duties of the Commission). For example, the bill replaces "duplicating" with "duplication" in subsection 4. The bill does not enlarge or curtail the duties of the Commission in any manner.

Section 3 of the bill amends HRS §11-321 by correcting an incorrect citation to HRS §11-323.

Section 4 of the bill amends HRS §11-334(a)(4), to more clearly align the law with present practice. Presently, every candidate files the Supplemental Report that is due on January 31<sup>st</sup> every year and not just on January 31<sup>st</sup> after an election year. This bill does not require an additional or new report. That is, every senator and member of the House of Representatives, and every other elected state and county official (along with all other candidate committees registered with the Commission at the time) filed the Supplemental Report that was due on January 31, 2012. This bill would simply align the law with present practice by deleting “after an election year” from the statutory provision and provide that the Supplemental Report is due on January 31 of each year. If this amendment is not passed, the Commission may not be able to enforce the filing of the January Supplemental Report in an election year leaving a one-year gap (July 1<sup>st</sup> of a nonelection year to June 30<sup>th</sup> of an election year) in reporting by candidate committees.

Section 5 of the bill amends HRS §11-335 (noncandidate committee reports) by separating the reporting of contributions into contributions received and contributions made by noncandidate committees, and requiring noncandidate committees to identify the candidate supported or opposed by the committees’ independent expenditures. This will align the statute with the reality that noncandidate committees both make and receive contributions and report them, and to promote transparency of spending on independent expenditures.

Section 6 of the bill amends HRS §11-336(d), to more clearly align the law with present practice. Presently, under the Commission’s electronic filing system, every noncandidate committee is required to file the Supplemental Report that is due on January 31<sup>st</sup> every year and not just on January 31<sup>st</sup> after an election year. This bill does not require an additional or new report. This bill would simply align the law with present practice by deleting “after an election year” from the statutory provision and provide that the Supplemental Report is due on January 31 of each year. If this amendment is not passed, the Commission may not be able to enforce the filing of the January Supplemental Report in an election year leaving a one-year gap (July 1<sup>st</sup> of a nonelection year to June 30<sup>th</sup> of an election year) in reporting by noncandidate committees.

Section 7 of the bill amends HRS §11-359 by correcting an incorrect citation to HRS §11-355.

Section 8 of the bill amends HRS §11-423 (voluntary expenditure limits; filing affidavit) by amending subsection (b) to require candidates to file the affidavit to abide by statutory expenditure limits no later than the time to file nomination papers. This timeline is contained in §12-6(e)<sup>1</sup> and was provided for in the prior campaign spending law (§11-208(c) (2009 Replacement)). This would allow Commission staff to better implement the partial public financing program and achieve compliance with state election laws.

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<sup>1</sup> HRS §12-6(e) provides, “Upon the showing of a certified copy of an affidavit which has been filed with the campaign spending commission pursuant to section 11-208 by a candidate who has voluntarily agreed to abide by spending limits, the chief election officer or clerk shall discount the filing fee of the candidate by the following amounts: (1) For the office of the governor and lieutenant governor -- \$675; (2) For the office of mayor -- \$450; and (3) For all other offices -- \$225.”

The Honorable Karl Rhoads, Chair  
The Honorable Sharon E. Har, Vice Chair  
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Testimony on H.B. No. 201  
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Finally, section 8 of the bill also proposes an amendment to subsection (d) of HRS §11-423 by adding “prosecuting attorney” to paragraph (4). Thus, the prosecuting attorney, along with state senators, state representatives, and county council members participating in the partial public financing program would be able to spend \$1.40 multiplied by the number of registered voters in the voting district. This amendment reinstates language deleted by Act 203, Sess. Laws Haw. (2005). This deletion forced the Commission to place the prosecuting attorney in the “all other offices” category of spending limit, *i.e.*, 20 cents multiplied by the number of registered voters in the voting district. This seems unreasonable given the fact that the prosecuting attorney is a county-wide office. For example, under current law, the expenditure limit in the 2012 election period for the Honolulu Prosecuting Attorney for the 2012 elections was \$81,560 while the expenditure limit for the Honolulu Mayor was \$815,602. The expenditure limit for the Hawaii County Prosecuting Attorney for the 2012 election period was \$17,978 while the expenditure limit for the Hawaii County Mayor was \$179,776. Finally, the expenditure limit for the Kauai County Prosecuting Attorney for the 2012 election period was \$7,167 while the expenditure limit for the Kauai County Mayor was \$71,672.

As noted above, this bill has a companion bill in the Senate, S.B. No. 555.

SECTION 4. Section 11-331, Hawaii Revised Statutes, is amended by amending subsection (d) as follows:

"(d) For purposes of this part, whenever a report is required to be filed with the commission, 'filed' means that a report shall be filed with the commission's electronic filing system by the date and time specified for the filing of the report by:

- (1) The candidate or candidate committee of a candidate who is seeking election to the:
  - (A) Office of the governor;
  - (B) Office of lieutenant governor;
  - (C) Office of mayor;
  - (D) Office of prosecuting attorney;
  - (E) County council;
  - (F) Senate;
  - (G) House of representatives; or
  - (H) Office of Hawaiian affairs; or
- (2) A noncandidate committee required to be registered with the commission pursuant to section [~~11-323~~] 11-321."



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COMMITTEE on Judiciary

Rep. Karl Rhoads, Chair  
Rep. Sharon Har, Vice-Chair

Thursday, January 31, 2013, 2:05 PM, Conference Room 325

HB 201 Relating to Campaign Spending.

TESTIMONY

Wynnie Hee, Legislative Committee Member, League of Women Voters of Hawaii

Chair Rhoads, Vice-Chair Har, and Representatives Belattii, Brower, Cabanilla, Carroll, Ito, Kawakami, Lee, Tsuji, Wooley, McDermott, and Thielen:

The League of Women Voters of Hawaii supports HB 201 which makes a number of reasonable requests to amend the State campaign finance law.

The refinements requested by the Campaign Spending Commission will enable the commission to improve its valuable service to citizens seeking information as well as to the State. We are impressed with the campaign spending data now made accessible online by the commission. Their Election Reports 2012 even includes a list of candidates' "Cost per Vote," ranging from \$133 to \$0.00 per vote. I'm sure all of you have found that information interesting.

The last item requested by the commission, to increase the allowable expenditures for publically financed candidates for prosecuting attorney (currently 20 cents per registered voter), is intended to make the amount more equitable with other county-wide office seekers.

We hope you find these amendments noncontroversial, and we urge you to pass HB 201.

Thank you for the opportunity to submit testimony.



House Judiciary Committee  
Chair Karl Rhoads, Vice Chair Sharon Har

Thursday 1/31/13 at 02:05PM in Room 325  
HB201 – Relating to Campaign Spending

TESTIMONY

Carmille Lim, Executive Director, Common Cause Hawaii

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Dear Chair Rhoads, Vice Chair Har, and members of the House Judiciary Committee:

**Common Cause Hawaii supports HB201**, which “amends the campaign finance law by: (1) defining "matching payment period"; (2) correcting statutory references; (3) changing report filing deadlines; (4) specifying noncandidate committee reporting requirements for contributions made; (5) requiring the identification of the candidate supported or opposed by an independent expenditure; and (6) increasing the amount of allowable expenditures made by a publicly financed candidate for the office of prosecuting attorney.”

We support this bill because it clarifies existing language and what specifically must be reported, thus encouraging transparency in reporting requirements.

Thank you for the opportunity to testify.

**har2-Vincent**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, January 30, 2013 9:20 PM  
**To:** JUDtestimony  
**Cc:** barbarapolk@hawaiiintel.net  
**Subject:** Submitted testimony for HB201 on Jan 31, 2013 14:05PM

**HB201**

Submitted on: 1/30/2013

Testimony for JUD on Jan 31, 2013 14:05PM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Barbara B. Polk	Americans for Democratic Action/Hawaii	Support	No

Comments: We support this bill, especially those sections that will increase the transparency of political expenditures and clarity and timeliness of reporting.

Please note that testimony submitted less than 24 hours prior to the hearing , improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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