

STAND. COM. REP. NO.

1367

Honolulu, Hawaii

APR 05 2013

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

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

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1147, H.D. 2, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to enhance the disclosure of information under the campaign finance law.

Specifically, this measure:

- (1) Requires noncandidate committees that make only independent expenditures (election expenditures without the involvement of candidates or political parties) 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) Requires all reports filed with the Campaign Spending Commission to be made publicly available on the Commission's website in a searchable database;
- (3) Expands the information required to be disclosed in noncandidate committee reports regarding contributions and expenditures;



- (4) Requires noncandidate committees making only independent expenditures to certify that no expenditures have been coordinated with a candidate, candidate committee, or any agent thereof;
- (5) Establishes reporting requirements for late expenditures made shortly before an election;
- (6) Expands the information required to be included in statements of information filed for electioneering communications (advertisements disseminated shortly before an election);
- (7) Broadens the definition of "electioneering communication" to include any advertisement that is published by electronic means; and
- (8) Repeals corporate campaign contribution reporting requirements that are redundant of filing requirements for noncandidate committees.

Your Committee finds that the disclosure of information concerning election campaign contributions and expenditures has assumed greater importance in light of the recent United States Supreme Court decision in *Citizens United v. Federal Election Commission*, 558 U.S 310 (2010), allowing unlimited independent expenditures by corporations and labor unions to influence elections. This measure would expand the disclosure and transparency provisions of Hawaii's campaign finance law to keep the public informed about the true source of funds used to influence the outcome of elections.

Your Committee has amended this measure by:

- (1) Changing a reference in section 1 of the measure, regarding noncandidate committee registration and reporting, from section 11-302, Hawaii Revised Statutes, to section 11-323, Hawaii Revised Statutes, because the former section contains only definitions;
- (2) Clarifying that all expenditures contracted or paid for and to be rendered during the last three days prior to an election are to be reported in the same manner as provided under section 11-338, Hawaii Revised Statutes, for late expenditure reports by noncandidate committees;



- (3) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (4) Making technical nonsubstantive amendments for clarity and consistency.

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

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB1147, HD2, SD1	Committee Referral: JDL, WAM	Date: 3-27-13		
<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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani				✓
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
TOTAL	12	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes