

Honolulu, Hawaii
February 18, 2016

RE: H.B. No. 1550
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 1550 entitled:

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

begs leave to report as follows:

The purpose of this measure is to increase the effectiveness of the Campaign Spending Commission's (Commission) enforcement authority by:

- (1) Making a person, other than an individual, subject to an administrative fine not to exceed \$5,000 or an amount equivalent to three times the amount of the unlawful contribution or expenditure;
- (2) Allowing the Commission to recover its costs, including the cost of investigation; and
- (3) Directing the costs recovered by the Commission to be deposited into the Hawaii Election Campaign Fund.

The Campaign Spending Commission, The League of Women Voters of Hawaii, and Common Cause Hawaii testified in support of this measure. One concerned individual testified in opposition.



Your Committee has amended this measure by:

- (1) Specifying that noncandidate committees that make only independent expenditures are subject to the increased administrative fines;
- (2) Deleting the reference to political activities of liquor commission employees, (section 281-22, Hawaii Revised Statutes); and
- (3) Permitting the Commission's recovery from the violator of the Commission's cost of investigation and bank fees for the production of subpoenaed documents.

The increase in the amount of fine is necessary in enforcement cases against independent expenditure committees. Often these committees are not deterred by small fines of \$1,000. Increasing the fine to \$5,000 or an amount equal to three times the amount of the unlawful contribution or expenditure provides a sufficient deterrent to ensure compliance with campaign finance laws.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1550, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1550, H.D. 1, and be referred to your Committee on Finance.

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



KARL RHOADS, Chair



