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**STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION**

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HONOLULU, HAWAII 96813

March 16, 2015

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

The Honorable Joy A. San Buenaventura, 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 S.B. No. 657, S.D. 1, Relating to Campaign Finance**

Tuesday, March 17, 2015
2:00 p.m., Conference Room 325

Thank you for the opportunity to testify on this bill. The Campaign Spending Commission ("Commission") certainly supports the intent of the bill, but given that the contribution data does not evidence a particular need for a post special session supplemental report, we offer the following comments on this bill.

This bill amends Hawaii Revised Statutes §11-334(a) to require candidates to file a new supplemental report thirty days after the conclusion of a special session of the full Legislature, if the next regularly scheduled disclosure report is due more than 90 days after the conclusion of the special session.

The special session of the Legislature called to consider S.B. No. 1 was held from October 28, 2013 to November 12, 2013. If this bill was in effect in 2013, the candidates would not have had to file the post session supplemental report because the next report due¹ was not more than 90 days after the close of the 2013 special session. Nevertheless, the Commission examined contribution data from July 1, 2013 to November 12, 2013, which is the disclosure period that would have been covered if this bill was in effect in 2013. The data does not show a spike in contributions during the special session. Furthermore, a lot of the contributions reported were given to candidates for county and executive-branch offices. These candidates would have little or nothing to do with legislation considered during a special session. Given the data, the Commission believes that waiting to report contributions received during a special session on the next scheduled disclose report is sufficient disclosure.

¹ The next scheduled report, the Supplemental Report, was due on January 31, 2014, within the 90-day period.

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**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-EIGHTH LEGISLATURE, 2015**

ON THE FOLLOWING MEASURE:

S.B. 657, S.D. 1, RELATING TO CAMPAIGN FINANCE.

BEFORE THE:

HOUSE COMMITTEE ON JUDICIARY

DATE: Tuesday, March 17, 2015

TIME: 2:00 p.m.

LOCATION: State Capitol, Room 325

TESTIFIER(S): Douglas S. Chin, Attorney General, or
Deirdre Marie-Iha or Valri L. Kunimoto, Deputy Attorneys General

Chair Rhoads and Members of the Committee:

This bill requires representatives and senators to file an additional supplemental campaign finance disclosure report 10 days after a special session adjourns. The Department does not have legal objections to the bill and provides the following comments.

The Department raises a general concern regarding the need to bolster the bill's legislative history, and so makes several recommendations to improve the bill's chances of withstanding a constitutional challenge and achieving its intent. *To aid in the defense of this bill, the Department strongly suggests that the debates and reports that will comprise the bill's legislative history include a discussion of the justification for the additional reporting requirement.* This would be best accomplished by referencing data from the Campaign Spending Commission's reports showing why additional disclosure of campaign finance activities during a special session is necessary. The legislative history thus far for this bill addresses this concern only in part. The bill would benefit greatly from more specific findings based on recent events and documentation from the Commission.

The Department is concerned that the additional disclosure required by this bill may be redundant, given the existing reporting schedule under section 11-334, Hawaii Revised Statutes. The amendments made by the S.D. 1 address this in part, by requiring this new supplemental report only if the next regular report is due more than ninety days after the conclusion of the special session. (Page 4, lines 3-5.) Bolstering the legislative history with information regarding contributions made during recent special sessions of the legislature would greatly assist in explaining why this additional form of disclosure is necessary and to counter any concern that the new report would be redundant.

Under current law, supplemental reports are required to be current through one month prior to their filing. Section 11-334(a)(4), HRS. The addition made by the S.D. 1 does not include a similar requirement. Assuming the supplemental report required by this bill is deemed necessary, the wording in new paragraph (5) of section 11-334(a) on page 3, lines 19-21 and page 4, lines 1-5, should be made internally consistent with the rest of the section by adding a similar requirement at the end of the text on page 4, line 5: "The report shall be current through the conclusion of that special session, if applicable."

Finally, the apparent intent of the bill would be clarified if the new wording specifies that this supplemental report, if required, is to be filed in addition to any other report filed with the Campaign Spending Commission. To accomplish this, the new section 11-334(a)(5) should include: "The supplemental report filed pursuant to this paragraph, if required, shall be in addition to any other report required to be filed by this part."

Thank you for the opportunity to testify.