

Honolulu, Hawaii

FEB 09 2017

RE: S.B. No. 412
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred S.B. No. 412 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Replace the Hawaii election campaign fund with the general revenues of the State as the funding source for the operating expenses of the Campaign Spending Commission; and
- (2) Appropriate funds to the Campaign Spending Commission for its operating expenses, including staff salaries and fringe benefits.

Your Committee received testimony in support of this measure from the Campaign Spending Commission, The Libertarian Party of Hawaii, Americans for Democratic Action Hawaii, and Common Cause Hawaii.

Your Committee finds that the operating expenses of the Campaign Spending Commission are paid out of the Hawaii election campaign fund. This fund was established for the partial public financing of campaigns in the State. However, the balance of the fund has declined steadily due to the Commission relying on the fund to support nearly all of its operating expenses. According to written testimony submitted by the Campaign Spending



Commission, for the past ten fiscal years, the Commission has been operating at an average net deficit of approximately \$413,000, and the Commission's attempts to increase revenue for the fund have been unsuccessful. The Commission projects that by November 2017, the fund will be near depletion and the Commission will be unable to implement the partial public funding program for elections beginning with the 2018 election. This measure provides a steady source of funding for the operating expenses of the Campaign Spending Commission without impacting the balance of the Hawaii election campaign fund.

Your Committee has amended this measure by:

- (1) Adopting language suggested by the Campaign Spending Commission that allows the Commission to use monies from the Hawaii election campaign fund for investigative purposes if the Commission determines that its operating expenses appropriated from general revenues will be insufficient to cover the costs of investigations;
- (2) Changing the appropriation amount from \$495,506 to \$505,585 to reflect the amount for operating expenses of the Campaign Spending Commission requested under H.B. No. 100, Regular Session of 2017, as amended; and
- (3) Inserting an effective date of January 7, 2059, to encourage further discussion.

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 S.B. No. 412, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 412, S.D. 1, and be referred to your Committee on Ways and Means.

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


GILBERT S.C. KEITH-AGARAN, Chair



