

Honolulu, Hawaii

FEB 14 2017

RE: S.B. No. 440
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. 440 entitled:

"A BILL FOR AN ACT RELATING TO VIOLATIONS OF CAMPAIGN FINANCE
LAW,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the fine imposed on a noncandidate committee that makes only independent expenditures and either receives certain contributions or makes a certain amount of expenditures in an election period;
- (2) Authorize the Campaign Spending Commission to order a person in violation of campaign finance laws to pay for costs of investigative services and bank fees for the production of subpoenaed documents incurred by the Commission due to the violation; and
- (3) Direct any costs recovered by the Campaign Spending Commission to be deposited into the Hawaii election campaign fund.

Your Committee received testimony in support of this measure from the Campaign Spending Commission, League of Women Voters of Hawaii, and Common Cause Hawaii.



Your Committee finds that by increasing the fine that may be assessed against a noncandidate committee making only independent expenditures, more commonly known as political action committees or Super PACs, for campaign finance law violations, this measure takes into account inflation and the current political landscape as a result of *Citizens United v. Federal Election Commission*, 558 U.S. 310 (2010), which allowed private entities to donate unlimited amounts of money into elections. Furthermore, directing costs recovered by the Campaign Spending Commission to be deposited into the Hawaii election campaign fund will assist in supporting the sustainability of the fund and the State's partial public funding program.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 440, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 440, 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



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* SB 440	Committee Referral: JDL, WAM	Date: 2/2/17		
<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
KEITH-AGARAN, Gilbert S.C. (C)	✓			
RHOADS, Karl (VC)	✓			
GABBARD, Mike				✓
KIM, Donna Mercado	✓			
THIELEN, Laura H.	✓			
TOTAL	4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Karl Rhoads</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes