



**STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION**

235 SOUTH BERETANIA STREET, ROOM 300
HONOLULU, HAWAII 96813

February 26, 2018

TO: The Honorable Sylvia Luke, Chair
House Committee on Finance

The Honorable Ty J.K. Cullen, Vice Chair
House Committee on Finance

Members of the House Committee on Finance

FROM: Kristin Izumi-Nitao, Executive Director *kei*
Campaign Spending Commission

SUBJECT: **Testimony on H.B. No. 1656, H.D. 1, Relating to Violations of Campaign
Finance Law**

Tuesday, February 27, 2018
11:00 a.m., Conference Room 308

Thank you for the opportunity to testify on this bill.¹ The Campaign Spending Commission (“Commission”) supports this bill.

This bill amends Hawaii Revised Statutes (“HRS”) §11-410 by amending subsection (a)(1) by replacing “an individual” with “a person other than a noncandidate committee that makes only independent expenditures” and amending subsection (a)(2) by replacing “corporation, organization, association, or labor union” with “noncandidate committee that makes only independent expenditures and has either received at least one contribution of more than \$10,000 from any one person or has made expenditures of more than \$10,000 in the aggregate, in an election period.” The bill also increases the amount of a fine that the Commission may assess against a committee that makes only independent expenditures (Super PAC) from an amount not to exceed \$1,000 to an amount not to exceed \$5,000 up to an amount not exceeding three times an unlawful contribution expenditure. The increase in the amount of the fine is necessary in enforcement cases against Super PACs. Further, the trebling of the amount of an unlawful contribution or expenditure as a fine is already applicable to individuals. It makes sense to extend this potential increased fine to Super PACs. The Commission believes that the higher fine amount will be a more effective deterrent for Super PACs.

¹ The companion bill is S.B. 2151. This bill is a modification of a measure introduced in 2016 as H.B. 1550 and in 2017 as H.B. 283, which was referred to this Committee.

The bill also allows the Commission to assess fines against the officers of noncandidate committees. Presently, subsection (c) authorizes the Commission to order that fines be paid out of a candidate's personal funds.

This bill also deletes the reference to political activities of liquor commission employees (HRS §281-22) in subsection (a).

The Commission requests that this Committee pass this measure.



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COMMITTEE ON FINANCE
TUESDAY, FEBRUARY 27, 12:00 PM, Room 308
HB1656 HD1, RELATING TO VIOLATIONS OF CAMPAIGN FINANCE LAW

TESTIMONY

Beppie Shapiro, Legislative Committee, League of Women Voters of Hawaii

Chair Luke, Vice-Chair Cullen, and Committee Members: **The League of Women Voters of Hawaii supports HB1656 HD1 which would increase the amount of fines that could be assessed against a noncandidate committee making only independent expenditures for campaign spending violations; and allow the Campaign Spending Commission to order that a fine assessed against a noncandidate committee, or any portion thereof, be paid from the personal funds of officers of the committee.**

This bill helps reflect inflation and the impact of the Citizens United SCOTUS decision which allows unlimited contributions to such Super Pacs.

Thank you for the opportunity to present testimony.



House Committee on Finance
Chair Sylvia Luke, Vice Chair Ty Cullen

02/27/2018 11:00 AM Room 308
HB1656 HD1 – Relating to Violations of Campaign Finance Law

TESTIMONY / SUPPORT
Corie Tanida, Executive Director, Common Cause Hawaii

Dear Chair Luke, Vice Chair Cullen, and members of the committee:

Common Cause Hawaii supports HB1656 HD1 which would increase the amount of fines that may be assessed against noncandidate committees making only independent expenditures (a.k.a. Super PACs) for campaign spending violations. It would also allow the Campaign Spending Commission to order that a fine assessed against a noncandidate committee to be paid from the personal funds of the committee's officers.

We believe that the proposed fine increase toward Super PACs from \$1,000 to \$5,000 takes into account inflation, and the current political landscape we currently operate in as a result of the 2010 U.S. Supreme Court's *Citizens United* decision which allowed private entities to funnel unlimited amounts of money into elections. Additionally, this bill will create parity between fines assessed against individuals and Super PACs, as the fines for individuals have already been increased.

Thank you for the opportunity to offer testimony **supporting HB1656 HD1**.