

STAND. COM. REP. NO.

169

Honolulu, Hawaii

FEB 11 2019

RE: S.B. NO. 206
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 206 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to increase the amount of fines that may be assessed:

- (1) Against a noncandidate committee for violations of organizational report requirements; and
- (2) For violations of advertisement requirements.

Your Committee received testimony in support of this measure from the Campaign Spending Commission and one individual.

Your Committee finds that campaign spending and disclosure requirements are important to the health of the electoral process. Your Committee further finds that fines and other penalties should ideally be flexible enough to be an effective deterrent to candidate and noncandidate committees of various levels of financial resources. Your Committee additionally finds that linking the maximum fine amount to the level of expenditure made by the violating committee is an effective way to accomplish that flexibility. Your Committee also finds that it would be impracticable for the Campaign Spending Commission to determine



the total amount of contributions and expenditures of a committee at the time of a violation, and that basing the maximum amount of the fine for a violation off a percentage of the total expenditure for a violating advertisement is more efficient.

Your Committee has amended this measure by:

- (1) Increasing the minimum fine for campaign advertising disclaimer violations to \$150; and
- (2) Changing the maximum fine for campaign advertising disclaimer violations to twenty-five percent of the total expenditure for the advertisement lacking the proper disclaimer.

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 S.B. No. 206, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 206, 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,



KARL RHOADS, Chair



