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**STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION**

235 SOUTH BERETANIA STREET, ROOM 300
HONOLULU, HAWAII 96813

February 20, 2019

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 *ki*
Campaign Spending Commission

SUBJECT: **Testimony on H.B. No. 1382, H.D. 1, Relating to Campaign Finance**

Thursday, February 21, 2019
1:30 p.m., Conference Room 308

Thank you for the opportunity to testify on this bill. The Campaign Spending Commission ("Commission") offers the following comments.

Section 1 of this bill amends Hawaii Revised Statutes ("HRS") §11-302 by adding a definition of "contract with the State." This definition expands the types and methods of financing by the State (e.g., general obligation bonds, grants-in-aid, special purpose revenue bonds) that exceeds \$100,000 within a fiscal year as well as opens it to all contracts for services received or rendered by the State with the exception of permanent, full-time State employees.

Section 2 of this bill amends HRS §11-354 by prohibiting fundraising on not only a state or county property, but also in a facility owned, rented, leased, subleased, or associated with any person with a "contract with the State."

The Commission notes that the term "contract with the State" is also mentioned in HRS §11-355 which is the state and county contractor contribution ban, and thus, may create confusion as to its application. Presently, HRS §11-355 specifies the types of contracts with the State that are subject to the ban (i.e., personal services; the buying of property, or furnishing of any material, supplies, or equipment; for selling any land or building) if payment is to be made in

whole or in part from funds appropriated by the legislative body. There is no amount or ceiling (i.e., \$100,000) for these contracts in a fiscal year. Further, HRS §11-355 also includes the counties and any department or agency of the State and its counties.

Thus, the Commission believes that clarification is required as to when this new definition is applicable.



Hawaii

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To: The House Committee on Finance
From: Brodie Lockard for the Common Cause Hawaii Board
Date: Thursday, February 21, 2019, 1:30 pm

In strong support of HB 1382

Dear FIN Chair Luke, Vice Chair Cullen and Committee Members—

Common Cause Hawaii strongly supports HB 1382. It should cost the State nothing.

This bill clarifies the meaning of "contract with the State," then uses that term to help prevent undue influence and the appearance of it.

No contractor should be soliciting contributions in their offices or related facilities.

Please pass HB 1382 and help to restrict improper solicitations.

Thank you for the opportunity to testify.

Brodie Lockard
Board Member, Common Cause Hawaii

LATE

HB-1382-HD-1

Submitted on: 2/20/2019 5:25:45 PM

Testimony for FIN on 2/21/2019 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members:

Please support HB1382. Campaign financing has been increasingly corrupting our democracy. This bill will help to level the playing field.

Thank you for the opportunity to present my testimony.

Andrea Quinn

Kihei