

Honolulu, Hawaii

FEB 14 , 2020

RE: H.B. No. 1705  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 1705 entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify which candidate and noncandidate committee preliminary reports may be subject to a higher fine for failure to file the report.

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

Your Committee finds that this measure is necessary to clarify that only candidate and noncandidate committee preliminary reports due ten days before a primary, general, or special election may be subject to the increased late-filing fine.

Your Committee further finds that Hawaii law currently requires only candidate reimbursements to be itemized in candidate committee reports. However, it is common for individuals other than the candidate to be reimbursed for campaign costs. Your Committee believes that those reimbursements should also be itemized.



Your Committee also finds that persons should be required to file statements of information when electioneering communications are publicly distributed, rather than when the expenditure is made. Your Committee believes that this would be timelier since contracts for electioneering communications occur weeks to months before the communication is publicly distributed.

Your Committee additionally finds that advertisements mailed at any rate, instead of only bulk rate, should be considered electioneering communications. Furthermore, your Committee believes that exclusion of communications that constitute expenditures by the expending organization from the definition of "electioneering communications" is unnecessary and often leads to confusion among committees regarding its application.

Your Committee further finds that statements of information should include the disclosure date, website, and name of the candidate or ballot issue supported or opposed if a candidate committee or noncandidate committee makes an expenditure for an advertisement on the Internet.

Accordingly, your Committee has amended this measure by:

- (1) Inserting the language from H.B. No. 1703, which requires schedules filed with candidate committee reports to include itemized expenditures for committee reimbursements to the candidate or other individuals; and
- (2) Inserting the language from H.B. No. 1708, which amends the requirements for a statement of information filed by each person who makes an expenditure for electioneering communications of more than \$2,000 in the aggregate during any calendar year by:
  - (A) Amending the definition of "disclosure date" to mean the first date on which an electioneering communication is publicly distributed and any other date during that same year on which an electioneering communication is publicly distributed;
  - (B) Amending the definition of "electioneering communication" to:



- (i) Include any advertisement sent by mail instead of at a bulk rate; and
  - (ii) Repeal the exclusion of communications that constitute expenditures by the expending organization; and
- (C) Repealing the requirement that a person be treated as having made an expenditure if the person has executed a contract to make the expenditure.

Your Committee has further amended this measure by:

- (1) Changing the amount required to trigger a statement of information for electioneering communications from \$2,000 to a blank amount;
- (2) Requiring a statement of information to include the disclosure date, website, and name of the candidate or ballot issue supported or opposed, if a candidate committee or noncandidate committee makes an expenditure for advertisement on a social media platform;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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 H.B. No. 1705, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1705, H.D. 1, and be referred to your Committee on Finance.



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



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CHRIS LEE, Chair



