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STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION
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LATE

February 3, 2020

TO: The Honorable Chris Lee, Chair
House Committee on Judiciary

The Honorable Joy A. San Buenaventura, Vice Chair
House Committee on Judiciary

Members of the House Committee on Judiciary

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

SUBJECT: **Testimony on H.B. No. 2738, Relating to Campaign Finance**

Tuesday, February 4, 2020
2:05 p.m., Conference Room 325

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

This purpose of the bill is to prohibit foreign influence on state governance by (1) prohibiting foreign nationals and foreign corporations from making independent expenditures,¹ (2) requiring corporations that contribute or expend funds in a State election to file a statement of certification with the Chief Election Officer regarding their status as a foreign corporation, and (3) require noncandidate committees to obtain a statement of certification from top contributors that the funds used by the top contributors were not derived from a foreign corporation. Since the responsibility for enforcement of the amendments proposed by the bill falls upon the Commission, rather than the Office of Elections, the Commission believes that the statement of certification required by Section 3 of the bill should be filed with the Commission, instead of the Chief Election Officer. The Commission defers to the Department of the Attorney General for any constitutional implications this bill may have.

¹ Foreign nationals and foreign corporations are already prohibited from making contributions. Hawaii Revised Statutes §11-356.



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COMMITTEE ON JUDICIARY
TUESDAY, February 4, 2:05 pm, Room No. 325

HB2738, RELATING TO CAMPAIGN FINANCE
TESTIMONY

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

Chair Lee, Vice-Chair San Buenaventura, and Committee Members: **The League of Women Voters of Hawaii supports this bill, which intends to prohibit foreign nationals and corporations from influencing elections in Hawaii.**

We have seen in recent national elections actions which were taken by foreign governments to influence the outcome of elections. These actions were not easily attributable to the foreign governments who engaged in them.

HB2738 makes three sensible changes which together provide a stronger defense against foreign interference than current law.

This is a timely and appropriate response to a new reality which could seriously compromise our democracy.

Thank you for the opportunity to provide this testimony.

Statement Before The
HOUSE COMMITTEE ON JUDICIARY
Tuesday, February 4, 2020
2:05 PM
State Capitol, Conference Room 325

in consideration of
HB 2738
RELATING TO CAMPAIGN FINANCE.

Chair LEE, Vice Chair SAN BUENAVENTURA, and Members of the House Judiciary Committee

Common Cause Hawaii supports HB 2738, with amendments, which (1) prohibits foreign nationals and foreign corporations from making independent expenditures, (2) requires every corporation that contributes or expends funds in a state election to file a statement of certification regarding its limited foreign influence, and (3) requires noncandidate committees making only independent expenditures to obtain a statement of certification from each top contributor required to be listed in an advertisement.

Common Cause Hawaii is a nonprofit, nonpartisan, grassroots organization dedicated to reforming government and strengthening democracy through improving our campaign finance system with laws that amplify the voices of everyday Americans by requiring strong disclosures and making sure everyone plays by the same commonsense rules.

Foreign nationals are prohibited from making contributions, donations or expenditures in connection with any election, including state and local elections. Additionally, foreign nationals may not donate to noncandidate committees or fund electioneering communications. Foreign nationals are defined as foreign governments, foreign political parties, foreign corporations, foreign associations, foreign partnerships, and individuals with foreign citizenship unless they have “green cards” indicating they have been lawfully admitted for permanent residence.

Common Cause Hawaii supports HB 2738’s prohibition on foreign national’s and foreign corporation’s making independent expenditures in Hawaii’s elections.

HB 2738, however, further provides, on pages 6 and 7, that foreign corporations may make contributions to or an expenditure on behalf of a candidate, candidate committee, or a noncandidate committee, pursuant to certain exceptions. These exceptions seem to swallow the rule. Domestic subsidiaries of foreign corporations may contribute to non-candidate committees only so long as the foreign parent does not finance the non-candidate committee’s activities through the subsidiary and no individual foreign national participates in the operation of the non-candidate committee or makes

any decisions regarding its contributions or expenditures. HB 2738 on pages 5-6 may be amended and to better reflect a foreign national's and foreign corporation's narrow reach.

Common Cause Hawaii also supports HB 2738's disclosure requirement of corporations, which is found on pages 6-7 of the bill. This disclosure requirement will assist with transparency in our elections and allow people to know who/what is funding which candidates.

Thank you for the opportunity to testify in support of HB 2738, as amended. If you have further questions of me, please contact me at sma@commoncause.org.

Very respectfully yours,

Sandy Ma
Executive Director, Common Cause Hawaii



HB-2738

Submitted on: 2/3/2020 12:27:48 PM

Testimony for JUD on 2/4/2020 2:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Best	Individual	Support	No

Comments:

Please see testimony of Common Cause Hawaii, as I agree with them

LATE

HB-2738

Submitted on: 2/3/2020 2:09:33 PM

Testimony for JUD on 2/4/2020 2:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Golojuch Jr	Individual	Support	No

Comments:

HB-2738

Submitted on: 2/3/2020 3:02:38 PM

Testimony for JUD on 2/4/2020 2:05:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing
Randy Ching	Individual	Support	No

Comments:

Aloha Chair Lee, Vice Chair San Buenaventura and members of the committee,

I support HB2738 with amendments.

On pages 6 - 7 of this bill, foreign corporations are allowed to make contributions "pursuant to certain exceptions." There should be NO exceptions.

Please pass HB2738 with the above change. Mahalo for the opportunity to testify.

Randy Ching

Honolulu (makikirandy@yahoo.com)

HB-2738

Submitted on: 2/3/2020 9:29:28 PM

Testimony for JUD on 2/4/2020 2:05:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing
Caroline Kunitake	Individual	Support	No

Comments:

Dear Chair Lee and Members of the House Committee on Judiciary,

I am writing in support of HB2738. Please support HB 2738 with amendments, which (1) prohibits foreign nationals and foreign corporations from making independent expenditures, (2) requires every corporation that contributes or expends funds in a state election to file a statement of certification regarding its limited foreign influence, and (3) requires noncandidate committees making only independent expenditures to obtain a statement of certification from each top contributor required to be listed in an advertisement.

Foreign nationals are prohibited from making contributions, donations or expenditures in connection with any election, including state and local elections. Additionally, foreign nationals may not donate to noncandidate committees or fund electioneering communications. Foreign nationals are defined as foreign governments, foreign political parties, foreign corporations, foreign associations, foreign partnerships, and individuals with foreign citizenship unless they have “green cards” indicating they have been lawfully admitted for permanent residence.

Mahalo,

Caroline Kunitake