

KRISTIN E. IZUMI-NITAO
EXECUTIVE DIRECTOR



PHONE: (808) 586-0285
FAX: (808) 586-0288
WWW.HAWAII.GOV/CAMPAIGN

STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION
235 SOUTH BERETANIA STREET, ROOM 300
HONOLULU, HAWAII 96813

LATE

January 31, 2019

TO: The Honorable Karl Rhoads, Chair
Senate Committee on Judiciary

The Honorable Glenn Wakai, Vice Chair
Senate Committee on Judiciary

Members of the Senate Committee on Judiciary

FROM: Kristin Izumi-Nitao, Executive Director *T.B.*
Campaign Spending Commission *For*

SUBJECT: **Testimony on S.B. No. 206, Relating to Campaign Finance**

Friday, February 1, 2019
9:00 a.m., Conference Room 016

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

This bill amends Hawaii Revised Statutes (“HRS”) §11-323 by mandating a minimum fine of \$1,000 for violations of the noncandidate committee organizational report provision, amends HRS §11-391 by increasing the fine for violations of the advertisement disclaimer provision to a minimum of \$100 for each advertisement, not to exceed 25% of the total amount of contributions or expenditures, whichever is greater, and amends HRS §11-393 by mandating a minimum fine for violations of the provision requiring Super PACs to identify its top three contributors in advertisements of \$1,000 per violation, not to exceed 25% of the total amount of contributions or expenditures, whichever is greater.

The Commission suggests that the maximum fine provided in Section 2 and Section 3 be changed to some percentage of the total expenditure for the advertisement lacking the proper disclaimer. It would be impracticable for the Commission to determine the total amount of contributions and expenditures of the committee at the time of the violation, and disclaimer

violations should be resolved relatively quickly so committees can make the necessary modifications to their advertisements.¹

¹ In S.B. No. 137, the Commission is also seeking to raise the administrative fine for Super PACs to \$5,000 for each violation or an amount not to exceed three times the amount of the unlawful contribution or expenditure. This would not apply to late reports (HRS §11-340) or advertisements lacking proper disclaimer (HRS §11-391). Those violations already have fines specified by law.

SB-206

Submitted on: 1/31/2019 9:04:39 AM

Testimony for JDC on 2/1/2019 9:00:00 AM

LATE

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

Comments:

I strongly support increasing fines for violation of campaign spending laws by non-candidate committees. Low fines do not result in compliance, but rather are seen as "the cost of doing business," even when that business is a non-profit. The limits set in this bill seem appropriately tailored to the resources of each non-candidate committee that may be out of compliance.

Please pas sSB206