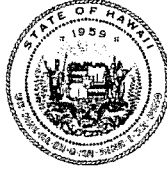


KRISTIN E. IZUMI-NITAO
EXECUTIVE DIRECTOR



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

March 11, 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 *ki*
Campaign Spending Commission

SUBJECT: **Testimony on S.B. No. 2148, SD 1, Relating to Violations of Campaign Finance Law**

Thursday, March 12, 2020
2:31 p.m., Conference Room 325

Thank you for the opportunity to testify on this bill.¹ The Campaign Spending Commission ("Commission") supports this bill.

This bill amends Hawaii Revised Statutes ("HRS") §11-410 by amending subsection (a)(1) by replacing "an individual" with "a person other than a noncandidate committee that makes only independent expenditures" and amending subsection (a)(2) by replacing "corporation, organization, association, or labor union" with "noncandidate committee that makes only independent expenditures and has either received at least one contribution of more than \$10,000 from any one person or has made expenditures of more than 10,000 in the aggregate, in an election period." The bill also increases the amount of a fine that the Commission may assess against a committee that makes only independent expenditures (Super PAC) from an amount not to exceed \$1,000 to an amount not to exceed \$5,000 or an amount not exceeding three times an unlawful contribution or expenditure. The increase in the amount of the fine is necessary in enforcement cases against Super PACs. Further, the trebling of the amount of an unlawful contribution or expenditure as a fine is already applicable to individuals.

¹ The companion bill, H.B. 1707, was deferred by this Committee on February 5, 2020.

It makes sense to extend this potential increased fine to Super PACs. The Commission believes that the higher fine amount will be a more effective deterrent for Super PACs.

The bill also allows the Commission to assess fines against the officers of noncandidate committees. Presently, subsection (c) authorizes the Commission to order that fines be paid out of a candidate's personal funds.

This bill also deletes the reference to political activities of liquor commission employees (HRS §281-22) in subsection (a).

The Commission requests that this Committee pass this measure.



49 South Hotel Street, Room 314 | Honolulu, HI 96813
www.lwv-hawaii.com | 808.531.7448 | voters@lwv-hawaii.com

COMMITTEE ON JUDICIARY
THURSDAY, 3-12-20, 2:05 pm, Room No. 325

SB2148 SD1, RELATING TO VIOLATIONS OF CAMPAIGN FINANCE LAW

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 SB2148 SD1** that amends some definitions as recommended by the Campaign Spending Commission, increases fines for violations by independent expenditure committees (Super PACS), and allows CSC to collect fines from the officers of non-candidate committees as well as from the candidate him or herself.

This bill will strengthen Hawaii's laws governing improper expenditures by Super Pacs which can distort the democratic process.

Thank you for the opportunity to submit testimony.

Statement Before The
HOUSE COMMITTEE ON JUDICIARY
Thursday, March 12, 2020
2:31 PM
State Capitol, Conference Room 325

in consideration of
SB 2148, SD1
RELATING TO VIOLATIONS OF CAMPAIGN SPENDING LAW.

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

Common Cause Hawaii supports SB 2148, SD1, which would (1) increase the amount of the fine that may be assessed against a noncandidate committee making only independent expenditures that has received at least one contribution of more than \$10,000, or spent more than \$10,000 in an election period, for campaign spending law violations and (2) allow the Campaign Spending Commission to order that payment of a fine assessed against a noncandidate committee, or any portion thereof, be paid from the personal funds of an officer of the noncandidate committee.

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.

SB 2148, SD1 is necessary to permit enforcement of campaign spending laws against Super PACs. Under current campaign spending laws, the trebling of the amount of an unlawful contribution or expenditure as a fine is applicable to individuals. Super PACs should be subject to the same penalties as individuals. The increased fine amount, as proposed under SB 2148, SD1 will hopefully be a more effective deterrent against Super PACs, with their deep pockets, from violating campaign spending laws.

Thank you for the opportunity to testify in support of SB 2148, SD1, and Common Cause Hawaii respectfully urges the Committee members to pass SB 2148 out of your Committee. If you have further questions of me, please contact me at sma@commoncause.org.

Very respectfully yours,

Sandy Ma
Executive Director, Common Cause Hawaii



Pono Hawai'i Initiative

Josh Frost - President • Patrick Shea - Treasurer • Kristin Hamada
Nelson Ho • Summer Starr

LATE

Thursday, March 12, 2020

Relating to Violations of Campaign Finance Law
Testifying in Support

Aloha Chair and members of the committee,

The Pono Hawai'i Initiative (PHI) **supports SB2148 SD1 Relating to Violations of Campaign Finance Law**, which will help to enforce campaign spending laws against Super PACs. Current laws only applies to individuals and this measure would help hold Super PACs to the same penalties.

By empowering the Campaign Spending Commission, we can help make sure we have more accountability in our government and elections.

For all these reasons, we urge you to vote in favor of this measure.

Mahalo for the opportunity,
Gary Hooser
Executive Director
Pono Hawai'i Initiative

SB-2148-SD-1

Submitted on: 3/11/2020 9:55:54 AM

Testimony for JUD on 3/12/2020 2:31:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Edward B Hanel Jr	Individual	Support	No

Comments:

Concur with CommonCause Hawaii comments.

SB-2148-SD-1

Submitted on: 3/11/2020 11:14:14 AM

Testimony for JUD on 3/12/2020 2:31:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Donna Ambrose	Individual	Support	No

Comments:

Super PACs should be subject to the same penalties as individuals when they break campaign spending laws.

SB-2148-SD-1

Submitted on: 3/12/2020 12:34:35 AM

Testimony for JUD on 3/12/2020 2:31:00 PM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Brodie Lockard	Individual	Support	Yes

Comments:

Campaign spending law violations are a very serious matter, and should be treated as such. Increasing fines is the most effective way to do this.

Campaign spending laws must be enforced against Super PACs. Super PACs should be subject to far greater penalties than individuals, because they have far more money and influence. But the same penalties is at least a good start.

SB-2148-SD-1

Submitted on: 3/12/2020 5:13:13 AM

Testimony for JUD on 3/12/2020 2:31:00 PM

LATE

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

Comments:

Dear Chair Lee and Members of the Committee on Judiciary,

I am writing in support of SB2148 SD1.

- SB 2148, SD1 is necessary to permit enforcement of campaign spending laws against Super PACs. Under current campaign spending laws, the trebling of the amount of an unlawful contribution or expenditure as a fine is applicable to individuals. Super PACs should be subject to the same penalties as individuals. The increased fine amount, as proposed under SB 2148, SD1 will hopefully be a more effective deterrent against Super PACs, with their deep pockets, from violating campaign spending laws.

We need fair elections and therefore we need laws to keep campaign spending transparent.

Please support this bill.

Mahalo,

Caroline Kunitake