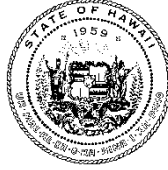


KRISTIN E. IZUMI-NITAO
EXECUTIVE DIRECTOR



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**STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION**

235 SOUTH BERETANIA STREET, ROOM 300
HONOLULU, HAWAII 96813

March 31, 2021

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 KEI
Campaign Spending Commission

SUBJECT: **Testimony on S.B. No. 401, HD 1, Relating to Violations of Campaign Finance Law**

Thursday, April 1, 2021
1:30 p.m., Via Videoconference

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 person described in paragraph (2)” 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. It makes sense to extend this potential increased fine to

¹ The companion bill is H.B. No. 141.

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 assessed against a candidate committee 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 with an effective date upon its approval.



49 South Hotel Street, Room 314 | Honolulu, HI 96813
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COMMITTEE ON FINANCE
THURSDAY, 4/1/21, 1:30 PM, Room No. 308

SB401 HD1 RELATING TO VIOLATIONS OF CAMPAIGN FINANCE LAW
TESTIMONY
Beppie Shapiro, Legislative Committee, League of Women Voters of Hawaii

Chair McKelvey, Vice-Chair Wildberger and Committee Members:

The League of Women Voters of Hawaii supports this bill, which would increase the fines for violation of Campaign Spending Commission (CSC) requirements by non-candidate committees making independent expenditures of at least \$10,000; and allow the CSC to order payment of all or part of such fines by an officer of the non-candidate committee.

The League of Women Voters is a non-partisan, grassroots activist organization. We believe that the methods of financing political campaigns should: Protect representative democracy from being distorted by big spending in election campaigns; Provide voters sufficient information about candidates and campaign issues to make informed choices; Ensure transparency and the public's right to know who is using money to influence elections; and Enable candidates to compete equitably for public office.

This bill requires non-candidate committees, commonly called "Super-PACs", which make substantial expenditures, to pay the same increased fines as individuals would if they violate CSC requirements. It is important that such Super-PACs comply with CSC requirements to enforce transparency and accountability; since those making large expenditures obviously have substantial funding, larger fines are justifiable and will help ensure compliance.

Thank you for the opportunity to submit testimony.

Hawaii
Holding Power Accountable

Statement Before The
HOUSE COMMITTEE ON FINANCE
Thursday, April 1, 2021
1:30 PM
Via Video Conference, Conference Room 308

in consideration of
SB 401, HD1
RELATING TO VIOLATIONS OF CAMPAIGN FINANCE LAW.

Chair LUKE, Vice Chair CULLEN, and Members of the House Finance Committee

Common Cause Hawaii supports SB 401, HD1, which (1) increases the amount of the fine for campaign spending law violations that may be assessed against a noncandidate committee making only independent expenditures (i.e., Super PACs) and that has received at least one contribution of more than \$10,000, or spent more than \$10,000, in an election period, and (2) allows the Campaign Spending Commission to order that the 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.

Common Cause Hawaii supports SB 401, HD1, because it increases the fines against Super PACs from \$1,000 to \$5,000 or an amount not to exceed three times the amount of an unlawful contribution or expenditure. The trebling of the amount of an unlawful contribution or expenditure as a fine is already applicable to individuals. SB 401, HD1 additionally permits the fines to be imposed on the individual candidates and/or officers of the noncandidate committees (PACs), which currently is only applicable to candidate committees. PACs and Super PACs should be subject to the same penalties as individuals and candidate committees. The increased fine amount, trebling of fines, and personal liability, as proposed under SB 401, HD1 will hopefully be a more effective deterrent against PACs and Super PACs, with their deep pockets, from violating campaign spending laws.

Thank you for the opportunity to testify in support of SB 401, HD1. If you have further questions of me, please contact me at sma@commoncause.org.

Very respectfully yours,

Sandy Ma
Executive Director, Common Cause Hawaii

SB-401-HD-1

Submitted on: 3/30/2021 1:18:34 PM

Testimony for FIN on 4/1/2021 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
John D. Smith	Individual	Support	No

Comments:

I support this to be passed through legislature.

SB-401-HD-1

Submitted on: 3/30/2021 7:48:09 PM

Testimony for FIN on 4/1/2021 1:30:00 PM

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

Comments:

Aloha Representatives,

I support SB 401 HD1.

Mahalo,

Michael Golojuch, Jr.

SB-401-HD-1

Submitted on: 3/31/2021 8:07:10 AM

Testimony for FIN on 4/1/2021 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
David Anderson	Individual	Support	No

Comments:

I support SB 401, HD1, because it increases the fines against Super PACs from \$1,000 to \$5,000 or an amount not to exceed three times the amount of an unlawful contribution or expenditure. The trebling of the amount of an unlawful contribution or expenditure as a fine is already applicable to individuals.

SB 401, HD1 additionally permits the fines to be imposed on the individual candidates and/or officers of the noncandidate committees (PACs), which currently is only applicable to candidate committees.

PACs and Super PACs should be subject to the same penalties as individuals and candidate committees. The increased fine amount, trebling of fines, and personal liability, as proposed under SB 401, HD1 will hopefully be a more effective deterrent against PACs and Super PACs, with their deep pockets, from violating campaign spending laws.

Thank you for the opportunity to submit testimony in support of this bill.

SB-401-HD-1

Submitted on: 3/31/2021 10:11:47 AM

Testimony for FIN on 4/1/2021 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Kathryn Afable	Individual	Support	No

Comments:

Aloha,

- I support SB401 and HD1 for the following reasons.
- Increases fines for campaign finance violations by Super PACS.
- Permits fines to be imposed on individual candidates and officers of non-candidate committees such as PACs.
- Serves as a more effective deterrent against violation of campaign spending laws.

Respectfully submitted,

Mary Afable

Hilo, Hawaii

SB-401-HD-1

Submitted on: 3/31/2021 10:33:51 AM

Testimony for FIN on 4/1/2021 1:30:00 PM

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

Comments:

Fines for election campaign laws should be severe and enforced. The electoral process should have the highest ethical standards of all state functions. Concur with Common Cause Hawaii comments and strongly support passage of SB401

SB-401-HD-1

Submitted on: 3/31/2021 12:20:18 PM

Testimony for FIN on 4/1/2021 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
tlaloc tokuda	Individual	Support	No

Comments:

Aloha FIN Committee Members,

i support SB401 HD1

- We support SB 401, HD1, because it increases the fines against Super PACs from \$1,000 to \$5,000 or an amount not to exceed three times the amount of an unlawful contribution or expenditure.
- The trebling of the amount of an unlawful contribution or expenditure as a fine is already applicable to individuals.
- SB 401, HD1 additionally permits the fines to be imposed on the individual candidates and/or officers of the noncandidate committees (PACs), which currently is only applicable to candidate committees.
- PACs and Super PACs should be subject to the same penalties as individuals and candidate committees. The increased fine amount, trebling of fines, and personal liability, as proposed under SB 401, HD1 will hopefully be a more effective deterrent against PACs and Super PACs, with their deep pockets, from violating campaign spending laws.

Mahalo for your consideration,

Tlaloc Tokuda

Kailua Kona, HI 96740

SB-401-HD-1

Submitted on: 3/31/2021 12:31:34 PM

Testimony for FIN on 4/1/2021 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
sam kippen	Individual	Support	No

Comments:

I am a member of Common Cause Hawaii and I support SB 401, HD1, which increases the fines against Super PACs from \$1,000 to \$5,000 or an amount not to exceed three times the amount of an unlawful contribution or expenditure. PACs and Super PACs should be subject to the same penalties as individuals and candidate committees. The increased fine amount, trebling of fines, and personal liability, as proposed under SB 401, HD1 will hopefully be a more effective deterrent against PACs and Super PACs violating campaign spending laws. We respectfully urge the committee to pass SB 401, HD1. Mahalo for the opportunity to testify.

SB-401-HD-1

Submitted on: 3/31/2021 1:16:25 PM

Testimony for FIN on 4/1/2021 1:30:00 PM

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

Comments:

Dear Chair Luke, Vice Chair Cullen and the Committee on Finance,

Please support SB401 HD1.

We need to reform our campaign finance laws to increase the overall fairness of elections.

I support SB 401, HD1, because it increases the fines against Super PACs from \$1,000 to \$5,000 or an amount not to exceed three times the amount of an unlawful contribution or expenditure.

PACs and Super PACs should be subject to the same penalties as individuals and candidate committees. The increased fine amount, trebling of fines, and personal liability, as proposed under SB 401, HD1 will hopefully be a more effective deterrent against PACs and Super PACs, with their deep pockets, from violating campaign spending laws.

Thank you for taking the time to review this bill. I appreciate the opportunity to provide testimony in support of this bill.

Mahalo,

Caroline Kunitake

SB-401-HD-1

Submitted on: 3/31/2021 1:30:50 PM

Testimony for FIN on 4/1/2021 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Susan Dursin	Individual	Support	No

Comments:

Please support SB401, which would extend the penalties for violating campaign spending laws. Many PACS and Super PAC's have turned a blind eye to campaign spending requirements. With the ability to access large amounts of money, they are often indifferent to the rules that candidates and individuals involved in campaigns must observe.

Please vote yes on SB401.

Susan Dursin, Captain Cook, HI

SB-401-HD-1

Submitted on: 4/1/2021 9:17:31 AM

Testimony for FIN on 4/1/2021 1:30:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing
laurie boyle	Individual	Support	No

Comments:

Aloha,

I support sb401 fully for the simple reason that PACS & SUPER PACS should be held financially accountable for violating campaign finance laws. Since they usually have deep pockets, the tripling of fees is warranted to provide a greater disincentive.

Mahalo for your attention.