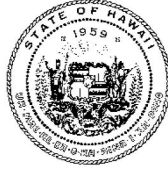


KRISTIN E. IZUMI-NITAO  
EXECUTIVE DIRECTOR



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**STATE OF HAWAII  
CAMPAIGN SPENDING COMMISSION**

235 SOUTH BERETANIA STREET, ROOM 300  
HONOLULU, HAWAII 96813

March 22, 2021

TO: The Honorable Mark M. Nakashima, Chair  
House Committee on Judiciary & Hawaiian Affairs

The Honorable Scot Z. Matayoshi, Vice Chair  
House Committee on Judiciary & Hawaiian Affairs

Members of the House Committee on Judiciary & Hawaiian Affairs

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

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

Tuesday, March 23, 2021  
2:00 p.m., Via Videoconference

Thank you for the opportunity to testify on this bill.<sup>1</sup> 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

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<sup>1</sup> 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.

**Hawaii**  
*Holding Power Accountable*Statement Before The  
**HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS**

Tuesday, March 23, 2021

2:00 PM

Via Video Conference, Conference Room 325

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

Chair NAKASHIMA, Vice Chair MATAYOSHI, and Members of the House Judiciary & Hawaiian Affairs 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](mailto:sma@commoncause.org).

Very respectfully yours,

Sandy Ma  
Executive Director, Common Cause Hawaii

**SB-401-HD-1**

Submitted on: 3/20/2021 2:29:14 PM

Testimony for JHA on 3/23/2021 2:00:00 PM

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Present at Hearing</b> |
|---------------------|---------------------|---------------------------|---------------------------|
| tlaloc tokuda       | Individual          | Support                   | No                        |

Comments:

Dear JHA Committee Members,

- 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.
- I think that the PACs and Super PACs should be subject to a much greater penalty than 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: 3/20/2021 2:55:12 PM

Testimony for JHA on 3/23/2021 2:00:00 PM

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Present at Hearing</b> |
|---------------------|---------------------|---------------------------|---------------------------|
| Barbara Best        | Individual          | Support                   | No                        |

Comments:

Transparency will result

**SB-401-HD-1**

Submitted on: 3/21/2021 1:58:33 PM

Testimony for JHA on 3/23/2021 2:00:00 PM

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Present at Hearing</b> |
|---------------------|---------------------|---------------------------|---------------------------|
| Caroline Kunitake   | Individual          | Support                   | No                        |

Comments:

Dear Chair Nakashima, Vice Chair Matayoshi and Committee on Judiciary and Hawaiian Affairs,

Please support SB401 HD1.

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.

Super PACs can easily afford a \$1000 fine. A \$1000 fine will not discourage unlawful contributions or expenditures.

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

Mahalo,

Caroline Kunitake

**SB-401-HD-1**

Submitted on: 3/21/2021 2:46:39 PM

Testimony for JHA on 3/23/2021 2:00:00 PM

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Present at Hearing</b> |
|---------------------|---------------------|---------------------------|---------------------------|
| Michael Golojuch Jr | Individual          | Support                   | No                        |

Comments:

Aloha Representatives,

I support SB 401 HD1.

Mahalo,

Michael Golojuch, Jr.

**SB-401-HD-1**

Submitted on: 3/21/2021 5:17:30 PM

Testimony for JHA on 3/23/2021 2:00:00 PM

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Present at Hearing</b> |
|---------------------|---------------------|---------------------------|---------------------------|
| laurie boyle        | Individual          | Support                   | No                        |

Comments:

As a resident of Hawai'i island, i support sb401 for the simple reason that csmpaign finance lass should be adhered to, and if not should be penalized by fines.

Mahalo for your attention.



**SB-401-HD-1**

Submitted on: 3/22/2021 6:39:33 AM

Testimony for JHA on 3/23/2021 2:00:00 PM

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Present at Hearing</b> |
|---------------------|---------------------|---------------------------|---------------------------|
| 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.

This bill also 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: 3/22/2021 8:56:42 AM

Testimony for JHA on 3/23/2021 2:00:00 PM

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Present at Hearing</b> |
|---------------------|---------------------|---------------------------|---------------------------|
| Larry Meacham       | Individual          | Support                   | No                        |

Comments:

Testimony SUPPORTING SB 401 HD1, Increased Fines for Campaign law Violations

Thank you for the opportunity to offer testimony.

It is important to increase the fines on PACS and Super PACS for violating campaign finance laws because these committees are increasingly used as vehicles for concealing campaign funding from voters and the media. Punishing such stealth campaigns with larger fines will discourage such behavior.

Thank you for the opportunity to offer testimony.