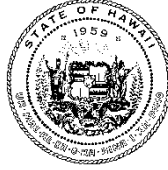


KRISTIN E. IZUMI-NITAO
EXECUTIVE DIRECTOR



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 1, 2021

TO: The Honorable Angus L.K. McKelvey, Chair
House Committee on Government Reform

The Honorable Tina Wildberger, Vice Chair
House Committee on Government Reform

Members of the House Committee on Government Reform

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

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

Wednesday, March 3, 2021
11:00 a.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.

Hawaii
*Holding Power Accountable*Statement Before The
HOUSE COMMITTEE ON GOVERNMENT REFORM

Wednesday, March 3, 2021

11:00 AM

Via Videoconference, Conference 309

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

Chair McKELVEY, Vice Chair WILDBERGER, and Members of the House Government Reform Committee

Common Cause Hawaii supports SB 401, 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, 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 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, will hopefully be a more effective deterrent against PACs and Super PACs, with their deep pockets, from violating campaign spending laws.

Common Cause Hawaii supports SB 401, and Common Cause Hawaii respectfully urges the Committee members to pass SB 401 out of your Committee.

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

Very respectfully yours,

Sandy Ma
Executive Director, Common Cause Hawaii



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

COMMITTEE ON GOVERNMENT REFORM
WEDNESDAY, 3/3/21, 11 AM Room No. 309

SB401 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.

SB-401

Submitted on: 2/27/2021 7:57:11 AM

Testimony for GVR on 3/3/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dyson Chee	Individual	Support	No

Comments:

Thank you for the opportunity to testify in support of SB401.

SB-401

Submitted on: 2/27/2021 8:04:44 AM

Testimony for GVR on 3/3/2021 11:00:00 AM

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

Comments:

Dear Chair McKelvey, Vice Chair Wildberger, and Committee on Government Reform,

Please support SB401.

A Super PAC can easily afford \$1000. A \$1000 fine will not discourage a Super PAC from violating spending laws.

I support SB 401, 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 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.

Thank you for taking the time to review this issue. I appreciate the opportunity to provide testimony in support of SB401.

Mahalo,

Caroline Kunitake

SB-401

Submitted on: 2/28/2021 4:37:17 PM

Testimony for GVR on 3/3/2021 11:00:00 AM

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

Comments:

SB401 promotes openness by Super PACs. Penalties should be sufficient to promote compliance with electoral financial rules by large corporate donors who otherwise would treat compliance as a nuisance to be paid by a petty cash fund. Concur with comments by Common Cause Hawaii in support of passing SB401.

SB-401

Submitted on: 3/1/2021 7:05:16 AM

Testimony for GVR on 3/3/2021 11:00:00 AM

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

Comments:

I support SB 401, 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 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, 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

Submitted on: 3/1/2021 9:19:14 AM

Testimony for GVR on 3/3/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michele Mitsumori	Individual	Support	No

Comments:

With Common Cause, I support SB 401 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 additionally permits the fines to be imposed on the individual candidate 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, will hopefully be a more effective deterrent against PACs and Super PACs, with their deep pockets, from violating campaign spending laws.

Mahalo,

Michele Mitsumori

SB-401

Submitted on: 3/1/2021 10:54:17 AM

Testimony for GVR on 3/3/2021 11:00:00 AM

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

Comments:

- The increased fine amount, trebling of fines, and personal liability, as proposed under SB 401, will hopefully be a more effective deterrent against PACs and Super PACs, with their deep pockets, from violating campaign spending laws.

SB-401

Submitted on: 3/1/2021 12:11:03 PM

Testimony for GVR on 3/3/2021 11:00:00 AM

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

Comments:

I support sb401 fir the simple reason that campaign finance laws need to be followed and have real consequences for campaigns, pacs and super pacs. Better transparency, costs for not following the law.

Mahalo for your attention.

SB-401

Submitted on: 3/1/2021 4:24:44 PM

Testimony for GVR on 3/3/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members,

Please support SB401.

Thank you,

Andrea Quinn

SB-401

Submitted on: 3/1/2021 4:58:28 PM

Testimony for GVR on 3/3/2021 11:00:00 AM

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. PACs and Super PACs should be subject to the same penalties as individuals and candidate committees. We respectfully urge the committee to pass SB 401. Mahalo for the opportunity to testify.