

STAND. COM. REP. NO. 3240

Honolulu, Hawaii

MAR 18 2022

RE: H.B. No. 1423
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 1423, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO VIOLATIONS OF CAMPAIGN FINANCE LAW,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the fine that may be assessed for campaign spending law violations against a noncandidate committee making only independent expenditures 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) Allow the Campaign Spending Commission to order that the fine be up to three times the amount of the unlawful contribution or expenditure, and that the payment of the fine assessed against a noncandidate committee, or any portion thereof, be paid from the personal funds of an officer of the noncandidate committee.

Your Committee received testimony in support of this measure from the Campaign Spending Commission, Common Cause Hawaii, League of Women Voters of Hawaii, and six individuals.



Your Committee finds that a noncandidate committee that makes only independent expenditures, otherwise known as Super PACs or large political action committees, is not penalized the same as individuals and candidate committees for violations of campaign spending laws. An increase in the amount of the fine is necessary in enforcement cases against Super PACs. This measure will be a more effective deterrent against Super PACs, with their deep pockets, from violating campaign spending laws.

Your Committee has amended this measure by:

- (1) Restoring statutory language relating to political activities of Liquor Commission employees;
- (2) Specifying that if a 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 violates the campaign spending laws, they may be fined an amount not to exceed \$5,000 for each occurrence or an amount not to exceed three times the amount of an unlawful contribution or expenditure; and
- (3) Making it effective upon its approval.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1423, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1423, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

| | | |
|---|--|--------------------------|
| Bill / Resolution No.:* HB1423, HD1 | Committee Referral: JDC, WAM | Date: 03-15-22 |
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The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

| Members | Aye | Aye (WR) | Nay | Excused |
|---------------------------|----------|----------|----------|----------|
| RHOADS, Karl (C) | / | | | |
| KEOHOKALOLE, Jarrett (VC) | / | | | |
| ACASIO, Laura | / | | | |
| GABBARD, Mike | / | | | |
| KIM, Donna Mercado | / | | | |
| LEE, Chris | / | | | |
| FEVELLA, Kurt | / | | | |
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| TOTAL | 7 | - | - | - |

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: *Karl Rhoads*

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*Only one measure per Record of Votes