

STAND. COM. REP. NO. 3765

Honolulu, Hawaii

APR - 6 2022

RE: H.B. No. 2416
H.D. 2
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. 2416, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require nonprofit organizations to disclose the name and address of donors who donate an aggregate of more than \$100, with certain exceptions; and
- (2) Add definitions.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the Sierra Club of Hawai'i, Hawai'i Children's Action Network Speaks!, and one individual. Your Committee received comments on this measure from the Department of the Attorney General, Campaign Spending Commission, Common Cause Hawaii, and American Civil Liberties Union of Hawai'i.

Your Committee finds that the State's existing campaign finance laws fail to reveal the true source of dark money campaign spending. Dark money campaign spending occurs when an organization, such as a nonprofit organization, raises funds



through donations, then uses the donations on campaign expenditures in an attempt to influence elections. It is dark money because there is a lack of transparency on who is trying to influence an election. This measure will enhance existing campaign spending disclosure requirements to ensure that the true source of campaign spending is disclosed to the electorate.

Your Committee has amended this measure by:

- (1) Increasing the threshold amount that requires that nonprofit organizations file a report of each donor making a donation from more than \$100 in the aggregate during an election period, to more than \$10,000;
- (2) Incorporating the amendments proposed by the Campaign Spending Commission as follows:
 - (A) Restoring statement of information requirements for electioneering communications expenditures made by noncandidate committees and organizations other than noncandidate committees;
 - (B) Deleting language that would have required each statement of information to contain the name and address of the top three donors donating an aggregate of more than \$100 in the preceding twelve-month period, excluding the donor's name or address if the donor has not provided consent;
 - (C) Clarifying that if the expenditures were made by a nonprofit organization, the statement of information shall contain the amount and date of the deposit of each donation received and the name and address of each donor making a donation aggregating more than \$10,000 during an election period, which was not previously reported, excluding a donor's name or address if the donor has not provided consent; and
 - (D) Clarifying that "disclosure date" means, for every calendar year, the first date during the calendar year on which an electioneering communication is made, and the date on which any subsequent



electioneering communication is made; provided that the person making the electioneering communication has made expenditures for electioneering communications of more than \$2,000 in the aggregate; and

- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 2416, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2416, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

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.:* HB 2416, HD2	Committee Referral: JDC	Date: 03-27-22		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> 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				/
TOTAL	5	—	—	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Karl Rhoads</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes