

STAND. COM. REP. NO.

1000

Honolulu, Hawaii

MAR 18 , 2021

RE: S.B. No. 401
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Government Reform, to which was referred
S.B. No. 401 entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Increase the amount of the fine that may be assessed against a noncandidate committee that makes 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) Authorize the Campaign Spending Commission to order that the fine, or any portion of the fine, assessed against a noncandidate committee be paid from the personal funds of the officers 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 nine individuals.

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Your Committee finds that this measure significantly increases the amount of fines assessed against a committee that makes only independent expenditures, otherwise known as Super PACs, and authorizes the Campaign Spending Commission to order that the fines, or a portion of the fines, be paid from the personal funds of an officer of the Super PAC. The increase in the amount of the fine is necessary in enforcement cases against Super PACs and will also serve as a more effective deterrent against Super PACs from violating state campaign spending laws.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Government Reform that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 401, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 401, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on
behalf of the members of the
Committee on Government Reform,



ANGUS L.K. MCKELVEY, Chair



