



STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

235 SOUTH BERETANIA STREET, ROOM 300
HONOLULU, HAWAII 96813

February 22, 2022

TO: The Honorable Sylvia Luke, Chair
House Committee on Finance

The Honorable Kyle T. Yamashita, Vice Chair
House Committee on Finance

Members of the House Committee on Finance

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

SUBJECT: **Testimony on H.B. No. 1423, HD 1, Relating to Violations of Campaign Finance Law**

Thursday, February 24, 2022
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, as originally submitted, increased 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 Super PACs. The Commission believes that the higher fine amount will be a more effective deterrent for Super PACs.

¹ The companion bill is S. B. No. 2044.

The bill 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).

GVR deleted the \$5,000 amount of fine sought by the Commission and defected the effective date of the bill for further discussion. The Commission requests that this Committee reinstate the fine amount on page 2, line 2, change the effective date to upon approval, and pass this measure.



Committee on Government Reform
Chair McKelvey, Vice Chair Wildberger

February 2, 2022, 9:30 AM
HB1423 — 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 HB1423 which would increase the fines for violation of Campaign Spending Commission (CSC) requirements by non-candidate committees which have either a) made independent expenditures of at least \$10,000; or b) received a donation of at least \$10,000 from an individual. HB1423 would allow the CSC to order payment of all or part of such fines from personal funds of the candidate or an officer of the non-candidate committee.

The League of Women Voters supports campaign finance policies which provide transparency and accountability for expenditures by political campaigns.

HB1423 will improve the accountability of campaigns and “Super-Pacs” in Hawaii’s elections. The threat of higher fines will discourage violations of campaign finance law, and thus improve the credibility of our election system. Please pass this useful bill.

Thank you for the opportunity to submit testimony.

Statement Before The
HOUSE COMMITTEE ON FINANCE
Thursday, February 24, 2022
11:00 AM
Via Video Conference and Conference Room 308

in consideration of
HB 1423, HD1
RELATING TO VIOLATIONS OF CAMPAIGN FINANCE LAW.

Chair LUKE, Vice Chair YAMASHITA, and Members of the House Finance Committee

Common Cause Hawaii supports HB 1423, HD1, which (1) increases 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) allows 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.

Common Cause Hawaii is a nonprofit, nonpartisan, grassroots organization dedicated to reforming government and strengthening our representative 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 HB 1423, HD1, because it increases the fines against Super PACs from \$1,000 to an undefined amount (which we suggest not to be lower than \$5,000) or an amount not to exceed three times the amount of the unlawful contribution or expenditure. The trebling of the amount of an unlawful contribution or expenditure as a fine is already applicable to individuals.

HB 1423, 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 HB 1423, 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 HB 1423, HD1. If you have questions of me, please contact me at sma@commoncause.org.

Very respectfully yours,

Sandy Ma
Executive Director, Common Cause Hawaii