

Statement Before The
SENATE COMMITTEE ON JUDICIARY
Tuesday, March 15, 2022
9:30 AM
Via Conference Room 016 & Videoconference

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

Chair RHOADS, Vice Chair KEOHOKALOLE, and Members of the Senate Judiciary 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 people by requiring strong disclosures and making sure everyone plays by the same commonsense rules.

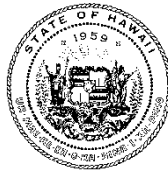
Common Cause Hawaii supports HB 1423, HD1, because it increases the fines against Super PACs from \$1,000 to an undefined amount (which we suggest not to be lower than \$5,000) or an amount not to exceed three times the amount of the unlawful contribution or expenditure. The trebling of the amount of 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



STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

235 SOUTH BERETANIA STREET, ROOM 300
HONOLULU, HAWAII 96813

March 14, 2022

TO: The Honorable Karl Rhoads, Chair
House Committee on Judiciary

The Honorable Jarrett Keohokalole, Vice Chair
House Committee on Judiciary

Members of the House Committee on Judiciary

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

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

Tuesday, March 15, 2022
9:30 a.m., Conference Room 016 & 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 Judiciary
Chair Rhoads, Vice Chair Keohokalole

Tuesday, March 15 2022, 9:30 am, Room 016 & Videoconference
HB1423 HD1 — RELATING TO VIOLATIONS OF CAMPAIGN FINANCE LAW

TESTIMONY

Beppie Shapiro, Legislative Committee, League of Women Voters of Hawaii

Chair Rhoads, Vice Chair Keohokalole, and Committee Members:

The League of Women Voters of Hawaii supports HB1423 HD1 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 HD1 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.

We acknowledge and support the language in [HB1423 HD1 HSCR134-22](#), which suggests that *this committee (JHA)* “consider increasing the fines for campaign spending law violations against certain noncandidate committees that make only independent expenditures to \$10,000 or more, as these fines would mainly affect large political action committees who have a large amount of funds and resources available.”

HB1423 HD1 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.

HB-1423-HD-1

Submitted on: 3/12/2022 12:23:11 PM

Testimony for JDC on 3/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
lynne matusow	Individual	Support	Written Testimony Only

Comments:

I support HB 1423, but find it wanting. First, I object to the use of defective effective dates and find that they do not serve to encourage future discussion, they are a cop out, and often end in the defeat of a bill during conference committee. The effective date should be changed to effective upon approval from the listed one which is 90 years in the future, a date none of us will be around.

All PACs should be subject to the same penalties as individuals and candidate committees. The fine should be identical to that levied against individuals. Also, the fines should be imposed on the individual candidates and/or officers of the noncandidate committees (PACs).

HB-1423-HD-1

Submitted on: 3/12/2022 11:08:12 PM

Testimony for JDC on 3/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Peter Greenhill	Individual	Support	Written Testimony Only

Comments:

We really need this. It is important to promote integrity!

HB-1423-HD-1

Submitted on: 3/13/2022 1:02:54 AM

Testimony for JDC on 3/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
David Anderson	Individual	Support	Written Testimony Only

Comments:

I support HB 1423, HD1, because it increases the fines against Super PACs from \$1,000 to an undefined amount (which I 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 submit testimony in support of this bill.

LATE

HB-1423-HD-1

Submitted on: 3/14/2022 11:55:33 AM

Testimony for JDC on 3/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kathy Jaycox	Individual	Support	Written Testimony Only

Comments:

Aloha, Senators --

Thank you for this opportunity to submit testimony in support of HB 1423, HD1. This is a matter of justice. PACs and Super PACs should be subject to the same penalties as individuals and candidate committees. To date, PACs and Super PACs seem to have violated campaign spending laws at will because the penalties for doing so have been minimal. Passing this bill will, I hope, prove a more effective deterrent to such violations.

LATE

HB-1423-HD-1

Submitted on: 3/14/2022 1:16:15 PM

Testimony for JDC on 3/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Huynh Eller	Individual	Support	Written Testimony Only

Comments:

I support HB 1423, HD1, because it increases the fines against Super PACs from \$1,000 to an undefined amount (which I suggest not to be lower than \$5,000) or an amount not to exceed three times the amount of the unlawful contribution or expenditure.

HB-1423-HD-1

Submitted on: 3/14/2022 6:43:08 PM

Testimony for JDC on 3/15/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
laurie boyle	Individual	Support	Written Testimony Only

Comments:

Aloha

I support HB1423 for the simple reason that all Super Pacs should be held financially accountable for breaking campaign finance laws and these penalties should be large enough to deter pacs and super pacs of any kind from bresking the laws.

Nahalo for your time.