



STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

235 SOUTH BERETANIA STREET, ROOM 300
HONOLULU, HAWAII 96813

March 14, 2022

TO: The Honorable Angus L.K. McKelvey, Chair
House Committee on Government Reform

The Honorable Tina Wildberger, Vice Chair
House Committee on Government Reform

Members of the House Committee on Government Reform

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

SUBJECT: **Testimony on S.B. No. 2044, Relating to Violations of Campaign
Finance Law**

Wednesday, March 16, 2022
9:00 a.m., Conference Room 309 & Videoconference

Thank you for the opportunity to testify on this bill. 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 also increases 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.

The bill also 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).

The Commission requests that this Committee pass this measure.

Statement Before The
HOUSE COMMITTEE ON GOVERNMENT REFORM
Wednesday, March 16, 2022
9:00 AM
Via Videoconference and Conference Room 309

in consideration of
SB 2044
RELATING TO VIOLATIONS OF CAMPAIGN FINANCE LAW.

Chair McKELVEY, Vice Chair WILDBERGER, and Members of the House Government Reform Committee

Common Cause Hawaii supports SB 2044, which (1) increases from \$1,000 to \$5,000 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 SB 2044, because it increases the fines against Super PACs from \$1,000 to \$5,000 or an amount not to exceed three times the amount of an unlawful contribution or expenditure. The trebling of the amount of an unlawful contribution or expenditure as a fine is already applicable to individuals. SB 2044 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 SB 2044, 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 SB 2044. If you have questions of me, please contact me at sma@commoncause.org.

Very respectfully yours,

Sandy Ma
Executive Director, Common Cause Hawaii

SB-2044

Submitted on: 3/14/2022 1:32:42 PM

Testimony for GVR on 3/16/2022 9:00:00 AM

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

Comments:

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).

With the recent guilty pleas of former legislators Kalani English and Ty Cullen this legislation is more important than ever. We need to clean up government and restore people's faith in the political process.

SB-2044

Submitted on: 3/14/2022 1:56:04 PM

Testimony for GVR on 3/16/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jennifer Azuma Chrupalyk	Individual	Comments	Written Testimony Only

Comments:

It says that this bill is introduced by Kouchi, then it states that the bill was requested to be introduced, by another party. Who was that? Where is the transparency to the public? Is the language of this bill written in such a way to deter people from responding? Is there some hidden agenda? Something is not right with this bill, and it needs to be fixed prior to reintroduction to the general assembly.