

KRISTIN E. IZUMI-NITAO  
EXECUTIVE DIRECTOR



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**STATE OF HAWAII  
CAMPAIGN SPENDING COMMISSION**

235 SOUTH BERETANIA STREET, ROOM 300  
HONOLULU, HAWAII 96813

June 22, 2020

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

The Honorable Jarrett Keohokalole, Vice Chair  
Senate Committee on Judiciary

Members of the Senate Committee on Judiciary

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

SUBJECT: **Testimony on H.B. No. 1706, HD 1, Relating to Campaign Contributions**

Tuesday, June 23, 2020  
10:00 a.m., Conference Room 016

Thank you for the opportunity to testify on this bill. The Campaign Spending Commission supports Section 2 of the bill, which is the only section of HD 1 that was in the original form of the bill.

Section 2 of the bill amends subsection (a) of Hawaii Revised Statutes (“HRS”) §11-364 by including excess nonresident contributions to the list of prohibited contributions that committees must return to contributors within thirty days. Thereafter, if not returned, the excess nonresident contributions escheat to the Hawaii Election Campaign Fund. The Commission urges this Committee to pass this measure.

HD 1 added Section 1, a purpose clause. Section 3 amends subsection (a) of HRS §11-381 to allow the use of campaign funds to lease, rather than purchase, vehicles for the duration of a campaign or purchase of lease other consumer goods, equipment or services that provide a mixed benefit to the candidate. That section also increases the amount of campaign funds that may be used for charitable donations, donations to public schools or libraries, and the award of scholarships to full-time students from twice to four times the maximum amount that a person can contribute to the candidate. The Commission believes that it is preferable that all mixed benefit acquisitions be done by way of a lease and only for the duration of a campaign. Then there would be no issues of improper disposal of the goods later on. Also, since the primary use

of campaign funds is to finance the campaign, the Commission is opposed to any increase in the amount of funds that can be used for other purposes.

Section 4 of the bill amends subsection (c) of HRS §11-384 by extending the time a candidate can use campaign funds from four years after the date of the election to two years following the end of the candidate's term. The Commission is puzzled by this amendment. This amendment would not extend the time for a candidate holding a two-year office to use campaign funds. Also, pursuant to Section 6, this amendment will sunset on November 5, 2024 at which time §11-384(c) is reenacted to its present form. It would appear that Section 4 is meant to address a specific situation.

The Commission respectfully requests that the Committee pass the original form of H.B. No. 1706.

**Hawaii**  
*Holding Power Accountable*

Statement Before The  
**SENATE COMMITTEE ON JUDICIARY**  
Tuesday, June 23, 2020  
10:00 AM  
State Capitol, Conference Room 016

in consideration of  
**HB 1706, HD1**  
**RELATING TO CAMPAIGN CONTRIBUTIONS.**

Chair RHOADS, Vice Chair KEOHOKALOLE, and Members of the Senate Judiciary Committee

Common Cause Hawaii supports HB 1706, HD1, with suggested amendments, which (1) provides that excess contributions by nonresident contributors shall escheat to the Hawaii election campaign fund if not returned to the contributor within 30 days, (2) amends the allowable uses of campaign funds, and (3) amends the time for a candidate who is elected to office to use campaign funds or return the funds.

Common Cause Hawaii is a nonprofit, nonpartisan, grassroots organization dedicated to reforming government and strengthening democracy through improving our campaign finance system with laws that amplify the voices of everyday Americans.

HB 1706, HD1 provides, under Section 2, another source of income for the perennially underfunded Hawaii Election Campaign Fund and will allow candidates, who choose, to more readily use available public financing.

HB 1706, HD1 also limits, under Section 3, page 3, lines 5-6, the use of campaign funds by permitting the leasing of vehicles for the duration of the campaign. This appears to be a valid, legitimate restriction, which Common Cause Hawaii supports.

HB 1706, HD1, however, increases the donations that candidates may make with their campaign contributions, under Section 3, pages 3-6. While it is laudable for a candidate to donate to worthy enterprises amounts from his/her campaign contributions upon being duly elected or failing to be duly elected, to increase the contribution amounts from two to four times the maximum amount that one person may contribute raises the improper inference that a recipient organization (or its members) should support the candidate in hopes of receiving such a donation and/or support the candidate, who made the donation, in a following election either with fundraisers, membership votes, or by other means. Thus, HB1706, HD1 should be amended to remove any language increasing the contribution limit, found in Section 3, by candidates from two to four times.

Common Cause Hawaii is uncertain as to the purpose of the amendments contained in Section 4, HB 1706, HD1, especially as the amendments will be repealed on November 5, 2024 and be reverted to the original statute.

Thank you for the opportunity to testify in support of HB 1706, HD1, with suggested amendments. If you have further questions of me, please contact me at [sma@commoncause.org](mailto:sma@commoncause.org).

Very respectfully yours,  
Sandy Ma  
Executive Director, Common Cause Hawaii

**HB-1706-HD-1**

Submitted on: 6/20/2020 2:24:18 PM

Testimony for JDC on 6/23/2020 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Edward B Hanel Jr	Individual	Support	No

Comments:

Concur with Common Cause Hawaii coments. I generally support HB1706 HD1, with one exception. Section 3 must be amended to remove any language increasing the contribution limit, found in said Section, by candidates from two to four times. Contriburing unused campaign funds to third parties raises conflict of interest issues and provides opportunies for abuse. I would even suggest reducing the current amount allowed.

**HB-1706-HD-1**

Submitted on: 6/20/2020 5:44:14 PM

Testimony for JDC on 6/23/2020 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Caroline Kunitake	Individual	Support	No

Comments:

Dear Chair Karl Rhoads, Vice Chair Jarrett Keohokalole, and the Committee on Judiciary,

I am writing in support of HB1706 HD1 with amendments and comments.

- HB 1706, HD1 provides, under Section 2, another source of income for the perennially underfunded Hawaii Election Campaign Fund and will allow candidates, who choose, to more readily use available public financing.
- HB 1706, HD1 also limits, under Section 3, page 3, lines 5-6, the use of campaign funds by permitting the leasing of vehicles for the duration of the campaign. This appears to be a valid, legitimate restriction, which we support.
- HB 1706, HD1, however, increases the donations that candidates may make with their campaign contributions, under Section 3, pages 3-6. While it is laudable for a candidate to donate to worthy enterprises amounts from his/her campaign contributions upon being duly elected or failing to be duly elected, to increase the contribution amounts from two to four times the maximum amount that one person may contribute raises the improper inference that a recipient organization (or its members) should support the candidate in hopes of receiving such a donation and/or support the candidate, who made the donation, in a following election either with fundraisers, membership votes, or by other means. Thus, HB1706, HD1 should be amended to remove any language increasing the contribution limit, found in Section 3, by candidates from two to four times.
- We are uncertain as to the purpose of the amendments contained in Section 4, HB 1706, HD1, especially as the amendments will be repealed on November 5, 2024 and be reverted to the original statute.

Please support HB1706 HD1 with amendments.

Respectfully yours,

Caroline Kunitake



**HB-1706-HD-1**

Submitted on: 6/22/2020 4:56:41 AM

Testimony for JDC on 6/23/2020 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
David Anderson	Individual	Support	No

Comments:

- HB 1706, HD1 provides, under Section 2, another source of income for the perennially underfunded Hawaii Election Campaign Fund and will allow candidates, who choose, to more readily use available public financing.
- HB 1706, HD1 also limits, under Section 3, page 3, lines 5-6, the use of campaign funds by permitting the leasing of vehicles for the duration of the campaign. This appears to be a valid, legitimate restriction, which we support.
- HB 1706, HD1, however, increases the donations that candidates may make with their campaign contributions, under Section 3, pages 3-6. While it is laudable for a candidate to donate to worthy enterprises amounts from his/her campaign contributions upon being duly elected or failing to be duly elected, to increase the contribution amounts from two to four times the maximum amount that one person may contribute raises the improper inference that a recipient organization (or its members) should support the candidate in hopes of receiving such a donation and/or support the candidate, who made the donation, in a following election either with fundraisers, membership votes, or by other means. Thus, HB1706, HD1 should be amended to remove any language increasing the contribution limit, found in Section 3, by candidates from two to four times.
- We are uncertain as to the purpose of the amendments contained in Section 4, HB 1706, HD1, especially as the amendments will be repealed on November 5, 2024 and be reverted to the original statute.

**LATE**

**HB-1706-HD-1**

Submitted on: 6/22/2020 10:33:21 AM

Testimony for JDC on 6/23/2020 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Donna Ambrose	Individual	Support	No

Comments:

I support all efforts to encourage new faces to run for office. This bill will provide additional funding for the HI Election Campaign Fund for candidates who wish to access public financing. A section in the bill I oppose, however, appears under Section 3, pages 3-6. Increasing the amount a candidate may donate to worthy causes by up to 4 times could open the doors to perceived or real Pay (with fundraisers, membership votes) to Play (receiving a donation).



**HB-1706-HD-1**

Submitted on: 3/13/2020 7:46:33 PM

Testimony for JDC on 3/17/2020 10:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Andrea Quinn	Individual	Support	No

Comments:



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COMMITTEE ON JUDICIARY  
TUESDAY, 3/17/20, 10:05 AM, Room No. 016

HB1706 HD1, RELATING TO CAMPAIGN CONTRIBUTIONS

**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 the original HB1706, which clarifies that campaign contributions from non-residents escheat to the Hawaii Election Campaign Fund if not returned to the contributor within 30 days. However we oppose the HD1 which adds two unrelated sections.**

Extending the date by which candidates can spend excess campaign funds on scholarships or other charitable causes allows an unsuccessful candidate or an elected official to support organizations which may later feel inclined or obliged (this is Hawaii, after all) to contribute or otherwise support a later election bid by this candidate/official. When individuals contribute to a campaign, their intent is not to support charities or students whom they had no voice in selecting. The rationale proposed for this change is very weak; many scholarships are awarded for a limited term; charitable organizations should not be relying on excess campaign contributions for their budgets.

Section 2 loads onto the original bill a whole series of changes all but one of which we find unjustified and even deleterious to the public good - the exception is the prohibition on purchasing vehicles, which we support.

Thank you for the opportunity to submit testimony.