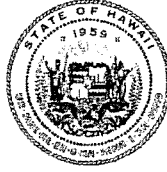


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STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

235 SOUTH BERETANIA STREET, ROOM 300
HONOLULU, HAWAII 96813

January 31, 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 *KI*
Campaign Spending Commission

SUBJECT: **Testimony on S.B. No. 2148, Relating to Violations of Campaign Finance Law**

Tuesday, February 4, 2020
10:01 a.m., Conference Room 016

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 noncandidate committee that makes only independent expenditures" 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.

¹ The companion bill is H.B. 1707.

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 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
SENATE COMMITTEE ON JUDICIARY
Tuesday, February 4, 2020
10:01 AM
State Capitol, Conference Room 016

in consideration of
SB 2148
RELATING TO VIOLATIONS OF CAMPAIGN SPENDING LAW.

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

Common Cause Hawaii supports SB 2148, which would (1) increase the amount of the fine that may be assessed against a noncandidate committee making only independent expenditures that has received at least one contribution of more than \$10,000, or spent more than \$10,000 in an election period, for campaign spending law violations and (2) allow the Campaign Spending Commission to order that payment of a 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 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.

SB 2148 is necessary to permit enforcement of campaign spending laws against Super PACs. Under current campaign spending laws, the trebling of the amount of an unlawful contribution or expenditure as a fine is applicable to individuals. Super PACs should be subject to the same penalties as individuals. The increased fine amount, as proposed under SB 2148, will hopefully be a more effective deterrent against Super PACs, with their deep pockets, from violating campaign spending laws.

Thank you for the opportunity to testify in support of SB 2148, and Common Cause Hawaii respectfully urges the Committee members to pass SB 2148 out of your Committee. If you have further questions of me, please contact me at sma@commoncause.org.

Very respectfully yours,

Sandy Ma
Executive Director, Common Cause Hawaii