

SB2252

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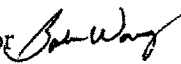
STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION
235 SOUTH BERETANIA STREET, ROOM 300
HONOLULU, HAWAII 96813

February 6, 2010

TO: The Honorable Brian T. Taniguchi, Chair of the Senate Committee on
Judiciary and Government Operations

The Honorable Dwight Y. Takamine, Vice-Chair of the Senate Committee
on Judiciary and Government Operations

Members of the Senate Committee on Judiciary and Government
Operations

FROM: Barbara U. Wong, Executive Director 
Campaign Spending Commission

SUBJECT: Testimony on S.B. No. 2252, Relating to Campaign Financing

February 9, 2010
10:00 a.m. in Conference room 016

Chair Taniguchi, Vice-Chair Takamine, and Members of the Senate Committee on
Judiciary and Government Operations, thank you for hearing this bill and the opportunity
to testify on this bill.

We strongly support S.B. No. 2252, which was introduced at the Campaign Spending
Commission's (Commission) request.

This bill proposes to:

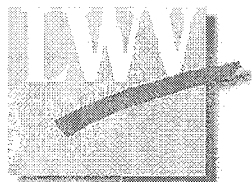
- Clarify the law relating to ballot issue committees (section 1 and 2);
- Add a definition for automated phone call (section 2) and require that the
automated phone call state the disclaimer at the beginning of the call (section 7);
- Clarify the definition of an "advertisement" (section 2);
- Repeal a provision in section 11-193, Hawaii Revised Statutes, relating to the
code of fair campaign practices, that was struck down by a court in 2001¹ (section
3);
- Require that contributions be deposited in a depository institution or their branch
physically located in the State (section 4);

¹ Ancheta v. Watada, 135 F.Supp.2d 1114 (2001).

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- Restore transparency for contributions to a noncandidate committee and add an unspecified limit for contributions by a corporation or company to its noncandidate committee (section 5);
- Remove references to “penalties” and replace them with the term “fines;” and clarify that the Commission has discretion regarding fines (sections 3, 6, and 8). This language is drawn from HB No. 128, CD2 (2009, which was passed by the Legislature but vetoed by the Governor. The language is also included in S.B. No. 2251 (2010) which is scheduled for a hearing by this Committee at the same time as this bill; and
- Amend the statute relating to advertising to clarify that the notice and disclaimer be included on every web page containing an advertisement (section 7).

The provisions of this bill would take effect upon approval and apply to contributions and expenditures occurring on or after July 1, 2010; provided that sections 6 and 8 (relating to fines) shall take effect retroactive to July 8, 2008.



THE LEAGUE OF WOMEN VOTERS OF HAWAII

TESTIMONY ON SB 2252 RELATING TO CAMPAIGN FINANCING

Committee on Judiciary and Government Operations
Tuesday, February 09, 2010
10:00 A.M. Conference Room 016
Testifier: Jean Aoki, LWV

Chair Senator Taniguchi, Vice Chair Senator Takamine, members of JGO Committee,

The League of Women Voters supports those parts of this bill that indicate the intended amendments clearly.

SB 2252 presents a clear and complete discussion of what ballot issue committees can do and that which they cannot do. Some of our earlier concerns about ballot issue committees have been addressed very well here. This bill goes further and addresses something that had not occurred to us. Ballot issue committees are generally finite groups organized to support or oppose one or more issue questions on the ballot. When the election is over, the purpose for their existence is gone. This bill clearly addresses this by laying out the process for the termination of their registration with the Campaign Spending Commission.

This bill while restricting individual contributions to noncandidate committees to an aggregate of \$1000 in a single election, leaves the limits on contributions by corporations using money from their treasuries, blank. In *Citizens United v FEC*, the U.S. Supreme Court left in place the ban on money from corporate treasuries going into their PACs. We suggest that we follow this example.

The section on the filing of reports and the allowed penalties for failure to file the reports in a timely manner, or substantially defective or deficient reports gives the commission the leeway for assessing the fines or not. Yet criteria to help make the determination are not provided. This has the potential for speculation and distrust of the whole system. We suggest clearer and more definite guidelines, or preferably, leaving in the "*shall*".

Thank you for this opportunity to testify on SB 2252.