

STAND. COM. REP. NO. 592

Honolulu, Hawaii
February 15, 2019

RE: H.B. No. 162
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 162 entitled:

"A BILL FOR AN ACT RELATING TO VIOLATIONS OF CAMPAIGN FINANCE LAW,"

begs leave to report as follows:

The purpose of this measure is to amend the allowable administrative fines for campaign finance violations. Specifically, this measure allows the Campaign Spending Commission to:

- (1) Fine any noncandidate committee that makes only independent expenditures and has either received at least one contribution of or spent more than \$10,000 in an election period an amount not to exceed:
 - (A) \$5,000 for each occurrence; or
 - (B) Three times the amount of an unlawful contribution or expenditure; and
- (2) Order the fine, or any portion thereof, to be paid from the personal funds of the officers of the noncandidate committee.



The Campaign Spending Commission testified in support of this measure.

Your Committee has amended this measure by:

- (1) Prohibiting the establishment of noncandidate committees that only make independent expenditures within 14 days of any election;
- (2) Allowing a violation of campaign finance law to be deemed a violation against the individual directors, officers, or agents of a noncandidate committee that makes only independent expenditures, who have knowingly authorized, ordered, or done any of the acts constituting the violation; and
- (3) Changing its effective date to January 28, 2081.

Your Committee notes that public trust and transparency in elections are essential components of democracy. In recent years, individuals and entities have used shell companies to blur the source of money used to influence elections. These practices erode public trust and transparency. By prohibiting the establishment of noncandidate committees that only make independent expenditures within 14 days of any election, the public will have sufficient time to review the committee's organizational report and prevent the blurring of campaign funding sources.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 162, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



CHRIS LEE, Chair



HSCR 592

Record of Votes of the Committee on Judiciary

Bill/Resolution No.: HB 162	Committee Referral: JUD, FIN	Date: 2/4/19
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The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

JUD Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)	/			
2. SAN BUENAVENTURA, Joy A. (VC)	/			
3. BROWER, Tom	/			
4. CREAGAN, Richard P.	/			
5. LOWEN, Nicole E.	/			
6. McKELVEY, Angus L.K.	/			
7. MORIKAWA, Dee	/			
8. SAY, Calvin K.Y.				/
9. TAKAYAMA, Gregg	/			
10. YAMANE, Ryan I.	/			
11. THIELEN, Cynthia				/
TOTAL (11)	9			2

The recommendation is: Adopted Not Adopted
 If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: 

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