

STAND. COM. REP. NO.

1282

Honolulu, Hawaii

MAR 20 2019

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

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 162, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Amend the allowable administrative fines for campaign finance violations committed by certain noncandidate committees making only independent expenditures; and
- (2) Prohibit the establishment of noncandidate committees that only make independent expenditures within fourteen days of an election.

Your Committee received testimony in support of this measure from the League of Women Voters Hawaii. Your Committee received comments on this measure from the Department of the Attorney General and Campaign Spending Commission.

Your Committee finds that campaign spending laws are often extremely difficult to enforce against large political action committees. Your Committee further finds that the structure and considerable financial resources of these organizations insulates



them from effective enforcement in many situations. This measure increases the ability of the Campaign Spending Commission to assess effective penalties against large political action committees for violations of campaign spending laws. However, your Committee additionally finds that restricting the formation of noncandidate committees within fourteen days of an election may be subject to constitutional challenge as a violation of protected political speech under the First Amendment.

Accordingly, your Committee has amended this measure by:

- (1) Removing the prohibition on the establishment of noncandidate committees that only make independent expenditures within fourteen days of an election;
- (2) Expanding language that allowed certain noncandidate committee expenditures to be deemed a violation against the individual directors, officers, or agents of a noncandidate committee that makes only independent expenditures to apply to all noncandidate committees regardless of whether they only make independent expenditures; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 162, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

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



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KARL RHOADS, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Judiciary**  
**JDC**

Bill / Resolution No.:* <b>HB 162 HD1</b>	Committee Referral: <b>JDC, WAM</b>	Date: <b>3/12/19</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
WAKAI, Glenn (VC)	✓			
GABBARD, Mike	✓			
KIM, Donna Mercado	✓			
FEVELLA, Kurt				✓
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original             Yellow             Pink             Goldenrod File with Committee Report             Clerk's Office             Drafting Agency             Committee File Copy				

\*Only one measure per Record of Votes