

STAND. COM. REP. NO.

2978

Honolulu, Hawaii

APR - 1 2010

RE: H.B. No. 2003
H.D. 3
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Judiciary and Government Operations, to which was referred H.B. No. 2003, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO CAMPAIGN FINANCING,"

begs leave to report as follows:

The purpose of this measure is to update, organize, and clarify the current campaign finance laws.

Testimony in support of the measure was submitted by the Campaign Spending Commission (Commission). Comments regarding the measure were submitted by four private organizations and many individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the campaign finance laws, codified in chapter 11, subpart B of part XII, Hawaii Revised Statutes (campaign finance laws), are unorganized, difficult to read, and inconsistent in some areas, due to the numerous amendments that have been made to these laws over the past thirty-seven years. To address these concerns, the Commission's Blue Ribbon Recodification Committee (Committee) set out to reorganize the existing campaign finance provisions in the campaign finance laws, by dividing long sections into shorter sections with clear titles for quick reference and group laws on one subject together, among other things. The product of the Committee's work was introduced during the 2009 Regular Legislative Session. That measure, H.B.



No. 128, C.D. 2 (2009), was passed by the 2009 Legislature, but was subsequently vetoed by the Governor.

The Commission then met with the Governor's staff to discuss the reasons for the veto. The Commission submitted testimony earlier to your Committee, stating that two concerns remained unaddressed after these discussions: the number of nominees from which to select commissioners, and the exception of competitively bid contracts from the campaign contribution prohibition.

This measure, and its companion, S.B. No. 2251, were introduced at the Commission's request during the 2010 Regular Legislative Session. Both of these companion measures addressed the Governor's concerns, but also made additional changes and amendments, some of which were substantive rather than simply recodifying and reorganizing the existing campaign finance laws. During hearings before the House of Representatives, other changes and amendments were made to H.B. No. 2003; some of these amendments were also substantive, although favorable for the campaign finance laws.

By contrast, when your Committee heard S.B. No 2251, your Committee expressed its belief that the recodification of the campaign spending laws is important and that any additional changes to S.B. No. 2251, although reasonable, would only serve to delay the recodification by creating additional points of concern for the Governor. Accordingly, your Committee amended S.B. No 2251 by replacing its contents with the contents of H.B. No. 128, C.D. 2 (2009), making changes to address the Governor's remaining concerns with H.B. No. 128, C.D. 2 (2009), and making technical, nonsubstantive changes.

Your Committee still believes that limiting substantive additional changes to any measure that intends to recodify and reorganize the campaign finance laws is the most practical method of achieving the recodification, even if the substantive changes proposed would only enhance the existing campaign finance laws.

Accordingly, your Committee has amended this measure by replacing its contents, except as set forth below, with the contents of S.B. No 2251, S.D. 1. The exceptions are as follows:

- (1) Inclusion of a new section to provide for transparency and to indicate that the campaign finance laws should be construed to support transparency;



- (2) Amendments to the definitions of "contribution" and "other receipts" to exclude loans, so that reporting of loans to candidate committees will be reported as loans rather than as contributions or receipts, lessening confusion between these categories;
- (3) An amendment to the definition of "election period" to clarify the election period for a special election;
- (4) Reinsertion of language from existing campaign finance laws regarding the obligation of the Judicial Council to meet and expeditiously select additional persons for the list of nominees whenever the number of the eligible nominees falls below five, as requested by the Chief Justice;
- (5) Clarification regarding the authority of the Commission to dismiss persons employed by or contracted with the Commission, to emphasize that such authority is discretionary;
- (6) Insertion of a provision from H.B. No. 2003, H.D. 3, regarding ballot issue committees;
- (7) Change of the measure's effective date to upon its approval; and
- (8) Inclusion of technical, nonsubstantive changes for purposes of style, clarity, and consistency with the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2003, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2003, H.D. 3, S.D. 1, and be placed on the calendar for Third Reading.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Government Operations,


BRIAN T. TANIGUCHI, Chair

The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Judiciary and Government Operations
JGO

Bill / Resolution No.:* HB 2003, HD3	Committee Referral: JGO	Date: 3/30/10																		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____																				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>																				
Members	Aye	Aye (WR)	Nay	Excused																
TANIGUCHI, Brian T. (C)	✓																			
TAKAMINE, Dwight Y. (VC)	✓																			
BUNDA, Robert	✓																			
GABBARD, Mike	✓																			
NISHIHARA, Clarence K.	✓																			
SLOM, Sam		✓																		
TOTAL	5	1	0	0																
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted																				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive;"> </div>																				
<table style="width: 100%; font-size: small;"> <tr> <td style="width: 25%;">Distribution:</td> <td style="width: 25%;">Original</td> <td style="width: 25%;">Yellow</td> <td style="width: 25%;">Pink</td> </tr> <tr> <td></td> <td>File with Committee Report</td> <td>Clerk's Office</td> <td>Drafting Agency</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Goldenrod</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Committee File Copy</td> </tr> </table>					Distribution:	Original	Yellow	Pink		File with Committee Report	Clerk's Office	Drafting Agency				Goldenrod				Committee File Copy
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*Only one measure per Record of Votes