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STATE OF HAWAI'I CAMPAIGN SPENDING COMMISSION

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March 14, 2016

TO: The Honorable Karl Rhoads, Chair House Committee on Judiciary

> The Honorable Joy A. San Buenaventura, Vice Chair House Committee on Judiciary

Members of the House Committee on Judiciary

FROM: Kristin Izumi-Nitao, Executive Director Campaign Spending Commission

SUBJECT: Testimony on S.B. No. 2030, S.D. 1, Relating to Campaign Spending

Tuesday, March 15, 2016 2:00 p.m., Conference Room 325

Thank you for the opportunity to testify on this bill. The Campaign Spending Commission ("Commission") supports this bill.

This bill amends Hawaii Revised Statutes ("HRS") §11-363 by distinguishing the dissemination, distribution, or republication of a candidate's campaign material by a third party from other coordinated activities by setting it out in a separate subsection. As currently set out in subsection (a), the financing of the dissemination, distribution, and republication of a candidate's campaign material is a contribution to that candidate, while any other coordinated activity in cooperation, consultation, in concert with, or at the request or suggestion of a candidate is both a contribution to that candidate and an expenditure by that candidate. Placing the two different types of activities in separate subsections will clarify the statute.

The bill also specifies four instances where the financing of the dissemination, distribution, or republication of a candidate's campaign material will not result in a contribution to that candidate. The bill retains the exception already in the law for the use of campaign material by co-candidates for Governor and Lieutenant Governor supporting each other in the general election, and includes exceptions for the use of campaign material by the candidate that prepared the material, campaign material that is used to advocate the defeat of the candidate who prepared the campaign material, and the use of campaign material in a news story or editorial by an independent broadcast station, newspaper, or periodical. The latter three exceptions are modeled after those found in the Federal Election Commission regulations (11 C.F.R. §109.23).

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The Commission requests that this Committee pass this measure, but amend the effective date from January 7, 2059 to "upon approval."