



**STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION**

235 SOUTH BERETANIA STREET, ROOM 300
HONOLULU, HAWAII 96813

February 19, 2020

TO: The Honorable Sylvia Luke, Chair
House Committee on Finance

The Honorable Ty J.K. Cullen, Vice Chair
House Committee on Finance

Members of the House Committee on Finance

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

SUBJECT: Testimony on H.B. No. 1634, HD 1, Relating to Campaign Finance

Thursday, February 20, 2020
11:00 a.m., Conference Room 308

Thank you for the opportunity to testify on this bill. The Campaign Spending Commission ("Commission") appreciates the intent of this bill and offers the following comments. This measure amends various sections of the Hawaii Revised Statutes ("HRS") to impose upon both candidate and noncandidate committees consistent content, filing, and deadline requirements for organizational reports and preliminary reports.

Section 1 of the measure amends subsection (d) of HRS §11-321 by reducing the amount of time within which a candidate committee must register with the Commission from ten days to two days of either filing nomination papers or receiving or spending more than \$100 in an election period. Section 1 also amends subsection (g) of HRS §11-321 by reducing the amount of time within which a noncandidate committee must register with the Commission from ten days to two days of receiving or spending more than \$1,000 in an election period.¹ The Commission is unsure what problem this bill addresses by reducing the amount of time new candidate and noncandidate committees have to register with the Commission. The Commission has established a fine for the failure to file and the late filing of the organizational report. The Commission believes that filing the report within ten days of reaching the threshold amount of activity is sufficient. Two days might not be enough time since the Electronic Filing Form also requires the signature the candidate, the chairperson, and the treasurer in the case of a candidate

¹ Subsection (g) of HRS §11-321 already requires noncandidate committees to register with the Commission within two days if the threshold spending amount is reached within 30 days of an election.

committee, and both the chairperson and treasurer in the case of a noncandidate committee. This amendment will have a larger impact on new candidates. In the 2018 elections, 51% of all candidates were new. In the 2016 elections, 54% of all candidates were new.

Section 4 of the bill amends subsection (a) of HRS §11-336, by requiring noncandidate committees to file two new preliminary primary reports, one on April 30 of a general election year and the other due 30 calendar days before the primary election. If the bill is passed, all noncandidate committees will be required to file three preliminary primary reports.² Although currently candidate committees may potentially be required to file three preliminary primary reports, not all candidate committees are required to file all three. Only candidate committees that file nomination papers on or prior to April 25, 2020 will be required to file the report due on April 30, 2020. This is because only those candidates will be on the ballot for the reporting period³ of the report due on April 30, 2020. All other candidate committees, including those that file nomination papers after April 25, 2020, will not be required to file the April 30th report.

² The third report is the one due ten days before the primary election.

³ The report shall be current through the fifth calendar day before April 30, 2020. HRS §11-334(a)(1).

Statement Before The
HOUSE COMMITTEE ON FINANCE
Thursday, February 20, 2020
11:00 AM
State Capitol, Conference Room 308

in consideration of
HB 1634, HD1
RELATING TO CAMPAIGN FINANCE.

Chair LUKE, Vice Chair CULLEN, and Members of the House Finance Committee

Common Cause Hawaii supports HB 1634, HD1, which (1) amends the deadline for candidate committees and noncandidate committees to file organizational reports and (2) imposes upon both candidate committees and noncandidate committees consistent content, filing, and deadline requirements for organizational reports and preliminary reports.

Common Cause Hawaii is a nonprofit, nonpartisan, grassroots organization dedicated to reforming government and strengthening democracy through improving our campaign finance system with laws that amplify the voices of everyday Americans by requiring strong disclosures and making sure everyone plays by the same commonsense rules.

HB 1634, HD1 specifically provides that subsections (d) and (g) of Section 11-321, Hawaii Revised Statutes (HRS), shall be amended to require an organizational report be filed for candidate and noncandidate committees within two (2) days of receiving contributions or making or incurring expenditures of more than \$100 and \$1,000 in the aggregate in an election period, respectively. Such an immediate reporting requirement for candidate and noncandidate committees will improve transparency in our elections. However, given the two (2) day reporting requirement, there may be an argument that this requirement may be considered unduly burdensome.

HB 1634, HD1 also clarifies that both candidate and noncandidate committees are subject to the same fines, if they do not file the preliminary report that is due 10 days before a primary, initial special, subsequent special, initial nonpartisan, subsequent nonpartisan, or general election. Clarification of the fines by candidate and noncandidate committees are subject to under HRS § 11-340 will also improve transparency in our elections.

Thank you for the opportunity to testify in support of HB 1634, HD1. If you have further questions of me, please contact me at sma@commoncause.org.

Very respectfully yours,

Sandy Ma
Executive Director, Common Cause Hawaii