

HB-680

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Testimony for JUD on 2/1/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Polk	Common Cause Hawaii	Comments	No

Comments:

Chair Lee and Vice Chair San Buenaventura:

Common Cause has not had the time to research HB680 thoroughly, but we believe that the registation and reporting requirements of lobbyists and non-candidate committees already cover the content of this bill. Certainly communicaitons that advocate for or against elected officials or their positions or government actions would make a non-profit a NCC, if they were tied to an election campaign, while taking positions on specific issues under considerationis lobbying.

It is not clear what the intent of this bill is, but we see any attempt to stifle other communications that would object to a positoin or action taken by an elected official as a violaiton of free speech and antithetical to democracy.

HB 680 Late

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LATE

January 31, 2019

TO: The Honorable Chris Lee, 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 *KIN*
Campaign Spending Commission

SUBJECT: **Testimony on H.B. No. 680, Relating to Internal Revenue Code Section 501(c)(4) Organizations**

Friday, February 1, 2019
2:00 p.m., Conference Room 325

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

This bill adds a section to Chapter 11, Hawaii Revised Statutes ("HRS") that would require IRS 501(c)(4) to file semi-annual reports with the Commission if it spends more than \$10,000 in a calendar year on communications "that refers to and advocate for, or against, a clearly identified elected official or the position of any elected official related to an official government action." An organization is exempt from this reporting requirement if it already files reports with the Commission. The measure states that the "communications" includes internet communications such as online advertisements, websites, social media pages, and mass emails."

If a 501(c)(4) organization spent more than \$1,000 in a two-year election period on communications "that refers to and advocate for, or against, a clearly identified elected official," that organization is required to register and file reports with the Commission. However, depending on the context, if an organization spent more than \$1,000 (or any amount) on communications "that refers to and advocate for, or against, . . . the position of any elected official related to an official government action," that organization would not need to register with the Commission and it is questionable that such an organization could be made to report its spending under the state's Campaign Finance Law. Thus, the purpose of the bill may not be fulfilled.