STAND. COM. REP. NO. **744** -22

Honolulu, Hawaii

FEB 0 9 , 2022

RE: H.B. No. 1423 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2022 State of Hawaii

## Sir:

Your Committee on Government Reform, to which was referred H.B. No. 1423 entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Increase the amount of the fine that may be assessed against a noncandidate committee that makes only independent expenditures and has received at least one contribution of more than \$10,000 or spent more than \$10,000 in an election period; and
- (2) Authorize the Campaign Spending Commission to order that the fine, or any portion of the fine, assessed against a noncandidate committee be paid from the personal funds of the officers of the noncandidate committee.

Your Committee received testimony in support of this measure from the Campaign Spending Commission, Green Party of Hawaii, Common Cause Hawaii, League of Women Voters of Hawaii, and seven individuals.

Your Committee finds that this measure increases the amount of fines assessed against a committee that makes only independent expenditures, otherwise known as Super PACs or large political action committees. The increase in the amount of the fine is necessary in enforcement cases against Super PACs.

Your Committee has amended this measure by:

- (1) Changing the fine to an unspecified amount; and
- (2) Changing its effective date to July 1, 2112, to encourage further discussion.

Should your Committee on Judiciary and Hawaiian Affairs deliberate on this measure, your Committee on Government Reform respectfully requests that it consider increasing the fine for campaign spending law violations against certain noncandidate committees that make only independent expenditures to \$10,000 or more, as these fines would mainly affect large political action committees who have a large amount of funds and resources available. A \$5,000 fine against a large political action committee, as originally proposed in this measure, may not be a sufficient enough deterrent.

As affirmed by the record of votes of the members of your Committee on Government Reform that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1423, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on behalf of the members of the Committee on Government Reform,

ANGUS L.K. McKELVEY, Chair

## State of Hawaii House of Representatives The Thirty-first Legislature

H SCR 134-22

## **Record of Votes of the Committee on Government Reform**

Bill/Resolution No.:	Committee Referral:	Date:	. 11. 2	D22
HB 1423 GVR, JHA, FIN 2.4.2022  The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)				
GVR Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	~		an established	
2. WILDBERGER, Tina (VC)				
3. CULLEN, Ty J.K.	7		UNALLY FOR ALL	
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4. ELI, Stacelynn K.M.				
5. ICHIYAMA, Linda			<u>,</u>	
J. Telli I Million	7			
6. MIZUNO, John M.				
			. A San San San San	
7. WOODSON, Justin H.	7			
8. YAMASHITA, Kyle T.	7			
0 WADD Cons				
9. WARD, Gene				
TOTAL (9)	17	8	Q	2
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Dief Clerk's Office Duplicate (Pink) – HMSO				