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STATE OF HAWAI'I CAMPAIGN SPENDING COMMISSION

235 SOUTH BERETANIA STREET, ROOM 300 HONOLULU, HAWAII 96813

January 31, 2022

TO: The Honorable Angus L.K. McKelvey, Chair House Committee on Government Reform

> The Honorable Tina Wildberger, Vice Chair House Committee on Government Reform

Members of the House Committee on Government Reform

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

SUBJECT: Testimony on H.B. No. 1425, Relating to Electioneering Communications

Wednesday, February 2, 2022 9:30 a.m., Via Videoconference

Thank you for the opportunity to testify on this bill. The Campaign Spending Commission ("Commission") supports this bill.¹

This bill amends Hawaii Revised Statutes ("HRS") §§11-341 by increasing the threshold amount of aggregated expenditures for electioneering communications in a calendar year from more than \$1,000 to more than \$2,000 before the filing of a statement of information would be required. This would restore the threshold amount that had been in place since the 2010 recodification of the Campaign Finance Law, until it was reduced by Act 3, Special Session of 2021. The bill also amends the definition of "disclosure date" to the date the electioneering communication is publicly distributed and the date of any subsequent public distributions of electioneering communications during the calendar. Act 3 also repealed the requirement of filing statements of information for subsequent expenditures. Thus, a noncandidate committee would only have to file one statement of information once the threshold was reached. Subsequent statements of information would not be required no matter how much more the noncandidate committee spent on electioneering communications. Also, changing the disclosure date from when the expenditure or contract for the expenditure, is made to the time the advertisement runs is timelier. Finally, repealing the "actual expenditures by the expending organization" exception to the definition of electioneering communication will prevent noncandidate committees from arguing that the exception permits the committees to avoid the disclosure of expenditures.

The Commission requests that this Committee pass this measure.

¹ The companion bill is S.B. No. 2042.



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Hawaii Holding Power Accountable

Statement Before The HOUSE COMMITTEE ON GOVERNMENT REFORM Wednesday, February 2, 2022 9:30 AM Via Videoconference and Conference Room 309

in consideration of HB 1425 RELATING TO ELECTIONEERING COMMUNICATIONS.

Chair McKELVEY, Vice Chair WILDBERGER, and Members of the House Government Reform Committee

Common Cause Hawaii supports with suggested amendments HB 1425, which (1) increases the threshold amount of aggregated expenditures for electioneering communications in a calendar year from more than \$1,000 to more than \$2,000 before statements of information would be required, (2) amends the definition of "disclosure date" to the date the electioneering communication is publicly distributed and the date of any subsequent public distributions of electioneering communications during the calendar year, and (3) repeals "actual expenditures" from the list of items that are not electioneering communication.

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

HB 1425 provides, at page 1, line 6, for increasing the threshold amount of aggregated expenditures for electioneering communications in a calendar year from more than \$1,000 to more than \$2,000 before statements of information would be required. While Common Cause Hawaii understands the potential burden on candidate committees and the Commission to process the statements of information, we suggest keeping the \$1,000 threshold amount to ensure that smaller, local races will also be subject to Hawaii Revised Statutes (HRS) § 11-341. This will permit continued transparency and accountability in smaller county council and prosecutor races.

Further, HB 1425, at page 2, line 2 references person, while deleting it at page 3, line 18. Common Cause Hawaii suggests deleting the definition of person, at page 5, lines 10-11, which excludes candidate or noncandidate committees, for improved transparency and accountability in our campaign disclosures.

HB 1425 also amends the definition of "disclosure date" at page 3, lines 20-21, and page 4, lines 1-2, to the "date on which subsequent electioneering communication is publicly distributed" versus the original definition of "has made expenditures" on page 3, line 18. Common Cause Hawaii is concerned with definitional change to "disclosure date". This is because an electioneering communication may be contracted / purchased and then subsequently and serially distributed at a later time. If the disclosure date did not include dates on which a contract is executed, i.e., "has made expenditures", a person could conceivably make their contracts for electioneering communication and wait to disclose that spending, depriving the public of that information until it's too late. Additionally, changing to "publicly distributed" could make administration more difficult and possibly lead to less timely disclosure in the last few weeks or days leading up

to an election. Everyone who had previously been reporting their contracts for electioneering communications well ahead of the election, when their contracts were executed, would now be reporting all of those in together in that short period right before the election.

Thank you for the opportunity to testify in support of HB 1425 with suggested amendments. If you have questions of me, please contact me at sma@commoncause.org.

Very respectfully yours,

Sandy Ma Executive Director, Common Cause Hawaii

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