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STATE OF HAWAI'I CAMPAIGN SPENDING COMMISSION 235 SOUTH BERETANIA STREET, ROOM 300

HONOLULU, HAWAII 96813

February 7, 2023

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

The Honorable Mike Gabbard, Vice Chair Senate Committee on Judiciary

Members of the Senate Committee on Judiciary

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

SUBJECT: Testimony on S.B. No. 51, Relating to Campaign Finance.

Thursday, February 9, 2023 9:30 a.m., Conference Room 16 & Videoconference

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

This bill amends three sections of the Hawaii Revised Statutes to (1) increase the amount of fines that may be assessed against a noncandidate committee for violations of organizational report violations, (2) increase the amount of fines that may be assessed against noncandidate committees for violations of advertisement disclaimer requirements, and (3) increase the fines for advertisements that fail to identify the top three contributors to the advertisements paid by noncandidate committees making only independent expenditures. However, Section 2 and Section 3 of the measure provides that the fines "shall not exceed twenty-five per cent of the total expenditure for the advertisement lacking the proper disclaimer." The Commission is concerned that the fines for social media advertisements, which can be at low cost or even free, will not result in a higher fine as intended by the bill. The Commission suggests that this Committee delete the fine caps at page 3, line 21 to page 4, line 2, and page 4, lines 7 to 9.

The Commission requests that this committee pass this measure with the stated amendments.

¹ The companion bill is H.B. No. 65

<u>SB-51</u> Submitted on: 2/5/2023 2:12:00 PM Testimony for JDC on 2/9/2023 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
lynne matusow	Individual	Support	Written Testimony Only

Comments:

This is an important bill to help restore faith and trust in government. In the last few years, we have seen violations by non candidate committees. Please move this bill forward.

<u>SB-51</u> Submitted on: 2/8/2023 9:15:37 AM Testimony for JDC on 2/9/2023 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Barbara Polk	Individual	Support	Written Testimony Only

Comments:

I strongly support SB51 to increase fines on failures by non-candidate committees and independent expenditure committees to abide by campaign spending rules. As we move toward publicly funding of elections, it is important to also take steps to rein in outside expenditures for or against candidates in whatever way we legally can do so..