

SB-197-SD-1

Submitted on: 3/15/2023 12:54:45 PM

Testimony for JHA on 3/17/2023 2:00:00 PM

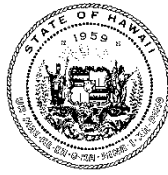
Submitted By	Organization	Testifier Position	Testify
Daniel Foley	Commission to Improve Standards of Conduct	Support	Remotely Via Zoom

Comments:

Dear Mr. Chairman and members of the Judiciary and Hawaiian Affairs Committee,

As Chair of the Commission to Improve Standards of Conduct, I support SB 197, SD 1, as a means "to reduce the influence of money in determining political outcomes at the state level by increasing the amount of fine imposed for campaign spending violations by certain noncandidate committees." See Commission's December 1, 2022 Final Report at page 34.

Mahalo, Judge Daniel Foley (ret.)



STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

235 SOUTH BERETANIA STREET, ROOM 300
HONOLULU, HAWAII 96813

March 16, 2023

TO: The Honorable David A. Tarnas, Chair
House Committee on Judiciary & Hawaiian Affairs

The Honorable Gregg Takayama, Vice Chair
House Committee on Judiciary & Hawaiian Affairs

Members of the House Committee on Judiciary & Hawaiian Affairs

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

SUBJECT: **Testimony on S.B. No. 197, SD 1, Relating to Violations of Campaign Finance Law.**

Friday, March 17, 2023
2:00 p.m., Conference Room 325 & Videoconference

Thank you for the opportunity to testify on this bill. The Campaign Spending Commission (“Commission”) supports this bill with a suggested amendment but prefers the language in H.B. 92.¹

This bill amends Hawaii Revised Statutes (“HRS”) §11-410 by amending subsection (a)(1) by replacing “an individual” with “a person other than a person described in paragraph (2)” and amending subsection (a)(2) by replacing “corporation, organization, association, or labor union” with “noncandidate committee that makes only independent expenditures and has either received at least one contribution of more than \$10,000 from any one person or has made expenditures of more than \$10,000 in the aggregate, in an election period.” The bill increases the amount of a fine that the Commission may assess against a committee that makes only independent expenditures (Super PAC) from an amount not to exceed \$1,000 to an amount not to exceed \$5,000 or an amount not exceeding three times an unlawful contribution or expenditure.

The increase in the amount of the fine is necessary in enforcement cases against Super PACs. Further, the trebling of the amount of an unlawful contribution or expenditure as a fine is already applicable to individuals, including candidates. It makes sense to extend this potential

¹ The companion bill is H.B. No. 92, which passed Third Reading in the House on March 7, 2023, and has crossed over to the Senate.

increased fine to Super PACs. The Commission believes that the higher fine amount will be a more effective deterrent for Super PACs.

The bill also allows the Commission to assess fines against the officers of noncandidate committees. Presently, subsection (c) authorizes the Commission to order fines assessed against a candidate committee be paid out of a candidate's personal funds. Given the language on page 2 of the Report of the Senate Committee on Judiciary (Stand. Com. Rep. No. 814), that the officers of the noncandidate committee be personally responsible for the fine if the noncandidate committee does not have funds to pay the fine, the Commission suggests that the amendment to subsection (c) of HRS §11-410 (SD 1, page2, lines 12-19) should read:

“(c) If an administrative fine is imposed upon a candidate, the commission may order that the fine, or any portion[-] of the fine, be paid from the [candidate’s] personal funds[-] of the candidate. If an administrative fine is imposed upon a noncandidate committee, the commission may order that the fine, or any portion of the fine, be paid from the personal funds of the officers of the noncandidate committee, if the noncandidate committee does not have the funds to pay the fine.”

Further, the Commission suggests this amendment because in most cases we believe that the noncandidate committees registered with the Commission do not have “personal funds.”

This bill also deletes the reference to political activities of liquor commission employees (HRS §281-22) in subsection (a).

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



Committee on Judiciary and Hawaiian Affairs
Chair David A. Tarnas, Vice Chair Gregg Takayama

Friday March 17, 2:pm Videoconference/Rm 325
SB197 SD1 — RELATING TO VIOLATIONS OF CAMPAIGN FINANCE LAW

TESTIMONY

Beppie Shapiro, Legislative Committee, League of Women Voters of Hawaii

Chair Tarnas, Vice Chair Takayama, and Committee Members:

The League of Women Voters of Hawaii supports SB197 SD1, which increases the fine that may be assessed for campaign spending law violations against a noncandidate committee making only independent expenditures that received at least 1 contribution of more than \$10,000, or spent more than \$10,000 in an election period; allows the Campaign Spending Commission to order a fine of up to 3 times the amount of the unlawful contribution or expenditure, and to order that the payment of the fine assessed against a noncandidate committee, or any portion thereof, be paid from the personal funds of an officer of the noncandidate committee.

The League of Women Voters supports campaign finance policies which provide transparency and accountability for expenditures by political campaigns.

We support the language found in [HB1423 HD1 HSCR134-22, State Legislature 2022](#) which suggests that (a future committee hearing HB1423, which closely resembles SB197 SD1) “consider increasing the fines 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.” We note that SB197 SD1 would increase those fines only to \$5,000.

Allowing the Campaign Spending Commission to collect fines assessed against a non-candidate committee from the personal funds of an officer of that committee, will certainly serve as a deterrent to allowing illegal contributions or expenditures by that committee.

SB197 SD1 will improve the accountability of non-candidate committees (“Super-Pacs”) in Hawaii’s elections. The threat of higher fines will discourage violations of campaign finance law, and thus improve the credibility of our election system. Please pass this useful bill.

Thank you for the opportunity to submit testimony.

SB-197-SD-1

Submitted on: 3/15/2023 1:51:38 PM

Testimony for JHA on 3/17/2023 2:00:00 PM

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

Comments:

I support this bill. It will enhance penalties for campaign spending law violations. It is one of the excellent proposals introduced by the Commission to Improve Standards of Conduct.

SB-197-SD-1

Submitted on: 3/15/2023 7:40:55 PM

Testimony for JHA on 3/17/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Andrew Crossland	Individual	Support	Written Testimony Only

Comments:

I support this Bill.

SB-197-SD-1

Submitted on: 3/16/2023 8:03:08 AM

Testimony for JHA on 3/17/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Hunter Heavilin	Individual	Support	Written Testimony Only

Comments:

As a concerned citizen, I strongly support SB197, which would increase the fines assessed against noncandidate committees for violations of campaign spending laws. By increasing the amount of the fine from \$1,000 to \$5,000, this legislation would create a stronger deterrent for noncandidate committees that engage in illegal campaign spending practices. It would also ensure that these committees are held accountable for their actions and that they face appropriate consequences for their violations of campaign spending laws.

Additionally, allowing the Campaign Spending Commission to order fines up to three times the amount of the unlawful contribution or expenditure would provide a strong incentive for noncandidate committees to comply with campaign spending laws. The provision that allows the payment of the fine to be collected from the personal funds of an officer of the noncandidate committee would further increase accountability and ensure that those who engage in illegal campaign spending practices are held responsible for their actions. I urge lawmakers to support SB197 and to take steps towards ensuring fair and transparent election processes in our communities.