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February 27, 2013

House Finance Committee
Hawai'i State Legislature

Re: HB 1147 HD1, Relating to Campaign Spending
Wednesday 02/27/13 at 11:30 AM in Room 308

Dear Chair Luke, Vice-Chairs Nishimoto and Johanson, and Finance Committee members:

Thank you for the opportunity to testify in **strong support** of HB 1147 HD1.

Campaign finance transparency is critical for the integrity of our democracy, and disclosure is more critical than ever in the age of the Supreme Court's Citizen's United decision and other decisions that have removed common-sense restrictions on the influence of "big money" in the political process. HB 1147 would improve reporting for non-candidate committees and electioneering communications, and addresses advertising disclosures as well.

Please join the other states who have passed similar legislation, and help make sure our elections are transparent.

Mahalo,

R. Elton Johnson, III
Open Law Alliance

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State of Hawaii
HOUSE FINANCE COMMITTEE

February 27, 2013, 11:30 a.m.
State Capitol, Room 308

Chairperson Sylvia Luke
Vice Chairperson Scott Nishimoto, Vice Chairperson Aaron Johanson

HOUSE BILL 1147 HOUSE DRAFT 1
Relating to Campaign Spending

TESTIMONY IN SUPPORT

from Greg Knudsen

I strongly support HB1147 HD1, which encourages transparency for PACs and SuperPACs. This bill significantly improves campaign finance disclosure at the state level, and boosts transparency in the post-Citizens United era. HB1147 improves reporting for noncandidate committees (PACs and SuperPACs) and electioneering communications, and requires disclosure of top contributors in political advertisements by SuperPACs.

Over the past three years, the public's understanding of "money in politics" has grown, and concern about campaign finance has become more widespread. This concern translates into diminishing trust and confidence in our elected government officials.

The 2012 elections show a clear need for action by elected officials. In Hawaii, SuperPACs expended enormous quantities on campaign advertising aiming to influence the voters.

With the recent growth of SuperPACs and independent expenditures, more disclosure is urgently needed. Maryland, Rhode Island, and Connecticut already have similar legislation in place. There is a growing movement for a U.S. Constitutional Amendment to overturn Citizens United and rein in campaign spending by corporations.

We must do all we can to improve the way campaign contributions and expenditures are reported to help renew the public's confidence in our election process and our public officials. I urge you to pass HB1147 HD1.

Aloha,



Greg Knudsen
1205 Kaeleku Street
Honolulu, Hawaii 96825
knudsen123@gmail.com

FINTestimony

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 26, 2013 6:30 PM
To: FINTestimony
Cc: mz9995@hotmail.com
Subject: *Submitted testimony for HB1147 on Feb 27, 2013 11:30AM*

HB1147

Submitted on: 2/26/2013

Testimony for FIN on Feb 27, 2013 11:30AM in Conference Room 308

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Michael Zehner | Individual | Support | No |

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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TESTIMONY

To: House Finance Committee
Chair Sylvia Luke, Vice Chair Scott Nishimoto, Vice Chair Aaron Johanson

Hearing: Wednesday, February 27, 2013 at 11:30 AM in Room 308

Bill: HB 1147 HD 1 – Campaign Spending

From: Nikki Love, CFRnikki@gmail.com, 286-2285

Aloha Chair Luke, Vice Chair Nishimoto, Vice Chair Johanson, and Committee Members,

First and foremost, thank you very much for hearing this important bill. I am testifying in **support of HB 1147 HD 1** and would like to suggest amendments.

This measure aims to improve our campaign finance disclosure laws and ensure transparency for SuperPACs and independent expenditures. In the aftermath of the U.S. Supreme Court decision in *Citizens United v. FEC* and other court decisions, the floodgates have been opened to unlimited spending by corporations and unions. As a result, in 2012 we saw large sums of campaign money flowing via independent expenditures and SuperPACs.

The enormous problems for our democracy resulting from *Citizens United v. FEC* will be difficult to address quickly. National efforts are underway to push for major changes at the federal level, but in the meantime, this bill represents a meaningful and practical step for the Hawaii legislature to significantly improve disclosure at the state level and boost transparency in the post-*Citizens United* era. This measure improves reporting for noncandidate committees (PACs and SuperPACs) and electioneering communications, and requires disclosure of top contributors in advertisements by SuperPACs.

Please note that a similar bill moved through the legislature last year (HB2174) and ultimately stalled in Conference Committee. Since that time, this bill has been further revised and improved.

SUGGESTED AMENDMENTS

I would like to ask the Finance Committee to consider amending Section 2 of the HD1. This section aims to require SuperPACs to disclose their top contributors in any advertisements they run. In the ads, SuperPACs would need to disclose their top three contributors who donated (a) \$10,000 or more for the purposes of the advertisement, or (b) \$10,000 or more to the SuperPAC generally (during the prior twelve months).

However, as written in the HD1, the language does not seem to be thorough enough to cover the following scenarios:

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1. The language does not seem to require disclosure in a situation where there are 0 (zero) top contributors for the purpose of the advertisement and only 1 or 2 top contributors to the SuperPAC generally. The language seems to be silent regarding this scenario.
2. The language seems to allow for the following situation: If a SuperPAC discloses just one top contributor who donated for the purpose of the advertisement, then the SuperPAC would not need to disclose other contributors who gave to the SuperPAC generally (even if they are bigger contributors). For example: Let's say a SuperPAC has two big contributors – one contributor who donated \$10,000 for the purpose of the advertisement, and one other contributor who donated \$250,000 to the SuperPAC generally. As written in the HD1, it seems that the SuperPAC would be required to disclose the smaller \$10,000 contributor, but not the \$250,000 contributor.

More clarity in the language is needed to address these issues and ensure thorough disclosure of the top contributors.

Thank you very much for your attention. Please pass this bill forward and take the first step toward fixing our democracy after *Citizens United v. FEC*.

Mahalo,
Nikki Love

Resident of Kapahulu/Diamond Head

Email: CFRnikki@gmail.com

Phone: 286-2285