

RE: S.B. No. 402

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii
Sir:

Your Committee on Judiciary, to which was referred S.B. No. 402 entitled:

"A BILL FOR AN ACT RELATING TO REIMBURSEMENTS FOR EXPENDITURES BY COMMITTEES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

(1) Require reporting of expenditures by candidate committees made to reimburse individuals other than the candidate for expenditures advanced by those individuals, in addition to reimbursements to the candidate; and

(2) Delete "candidate reimbursements" from the category of expenditures that noncandidate committees must itemize in their report.

Your Committee received testimony in support of this measure from the Campaign Spending Commission and Common Cause Hawaii.

Your Committee finds that under existing law, only reimbursements to candidates are required to be itemized in candidate committee reports. Your Committee further finds that in many instances, individuals other than the candidate are being reimbursed for campaign costs advanced by those individuals. Your Committee additionally finds that requiring reimbursements to those other individuals to be itemized is consistent with the policy goals of the States' campaign finance law.

Your Committee also finds that, under section 11-335(b), Hawaii Revised Statutes, noncandidate committees are prohibited from receiving or making loans. Thus, noncandidate committees should not be required to report reimbursements to candidates.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 402 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on
Judiciary,

KARL RHOADS, Chair