

HAWAII

With Clayton Hee Gone, Campaign Finance Reform Is Moving Forward

Among other measures, Hawaii lawmakers are advancing bills to address the influence of super PACs and other outside money.

MARCH 4, 2015 • By Nathan Eagle   

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Independent groups bombarded Hawaii residents last fall with advertisements trying to persuade them to vote for certain candidates or against particular ballot issues, including the measure on Maui to ban GMOs.

For nearly 10 weeks after the August primary, political action committees stuffed mailboxes with fliers and saturated the airwaves [without having to say how much money they were spending](#) or account for where the donations originated.

It wasn't until eight days before the November election — two weeks after absentee ballots were mailed out and a week after early walk-in voting began — that these groups had to file their campaign finance reports with the state and publicly disclose the millions of dollars that private companies and unions had spent trying to sway the outcome.

Cory Lum/Civil Beat



Sen. Gil Keith-Agaran, chair of the Judiciary and Labor Committee, asks questions during a hearing in February. He's been giving more campaign-finance bills a chance to be heard than has happened in a long time.

Hawaii lawmakers are looking at making a simple change to fix this longstanding problem in time for the 2016 elections. [Senate Bill 508](#) would add an additional reporting requirement in early October to break up the long period between filings.

It's one of several measures moving forward that would reform campaign finance laws by boosting transparency, improving accountability and reducing conflicts of interest. Lawmakers and political observers say this has been the most progressive legislative session they've seen in at least a decade when it comes to these issues.

While many were reluctant to name names, the primary reason that more of these bills are being heard is the new person steering the Senate Judiciary and Labor Committee, a critical legislative hurdle for almost all legislation of this type.

The committee used to be the place where good-government bills went to die but that's changed now that Sen. Gil Keith-Agaran is chair instead of Clayton Hee, who is out of office after making an unsuccessful bid for lieutenant governor last fall.

Seven Senate bills related to campaign finance were introduced in 2013 and 2014. Hee,

who was Judiciary chair both sessions, didn't allow a single one to be heard.

This year, eight Senate bills related to campaign finance have been introduced and four are advancing.



Sen. Les Ihara, left, talks to then-Sen. Clayton Hee on the Senate floor in 2013.

“A number of bills were introduced this year that I thought were worth hearing given the experience that several communities had in the last election,” Keith-Agaran said, noting the political action committees that targeted certain candidates in Windward Oahu legislative races; Oahu, Big Island and Maui council races; and spent millions of dollars fighting the Maui ballot initiative.

Sen. Les Ihara, who has served on the Judiciary committee for years, said even if the bills don't pass, just having an open discussion about their merits is a major improvement.

“We're several notches ahead,” Ihara said. “There's more campaign finance and good-government bills moving than I've seen in a long time.”

Keith-Agaran said he started working on campaign finance bills a few years ago when he was in the House, teaming up with Rep. Karl Rhoads, who chairs the House Judiciary Committee.

“Our campaign spending statute is a disclosure law so making the disclosures more meaningful to reflect the new role of noncandidate committees (along with concerns about the growing presence of outside money in local elections) is worth discussing and addressing in our statute,” Keith-Agaran said in an email.

End to Fundraising During Session?

House lawmakers are pushing a measure to prohibit legislators from fundraising during session. A handful of lawmakers have tried for years to ban this practice because of the inherent conflict of interest it presents, but have struggled to even get a hearing.

[House Bill 327](#), introduced by Reps. Marcus Oshiro and Calvin Say, originally set out to prohibit legislators from fundraising during session, including weekends, recesses and holidays.

The Judiciary Committee found this to be too broad, but passed an amended version last month that bans fundraising during the week prior to five important legislative deadlines. The bill now awaits a hearing in the Finance Committee.

Roughly 30 states have adopted some type of ban on raising money during session, said Carmille Lim, executive director of Common Cause Hawaii.

The concern is largely due to the fact that much of the money lawmakers raise during session comes from lobbyists — not voters in their districts — creating at a minimum the perception of pay-to-play politics.

“This measure helps instill confidence in our government,” Lim said. “A lot of people are so apathetic because they think there’s corruption or worse things than there might actually be.”



Rep. Karl Rhoads, who chairs the Judiciary Committee, has worked with his counterpart in the Senate, Gil Keith-Agaran, to reform campaign-finance laws.

Lawmakers are also trying to crack down on the influence of super PACs, which can spend unlimited amounts independently trying to support or oppose a candidate or issue.

[Senate Bill 1344](#) and its companion in the House would require super PACs to provide an Internet address with a disclosure report for large contributions received from an entity that is not an individual, business or labor union; or alternatively, provide the name, address, occupation and employer of each funding source.

Rhoads wrote in the Judiciary Committee's report on [House Bill 1491](#) that Hawaii's disclosure requirements do not detect the way super PACs use repeated transactions to hide the true source of the contribution.

“When the names of super PACs are meaningless or misleading, the state's disclosure

laws aimed at transparency are circumvented,” [the report](#) says.

As of this week, 1,335 super PACs nationwide had reported receiving \$695.9 million and spending \$348.6 million in the 2014 election cycle, according to the [Center for Responsive Politics](#).

In the Aloha State, 29 super PACs received \$8 million in contributions during the 2014 cycle. That includes a \$2.2 million contribution from the American Comeback Committee, an entity related to the Republican Governors Association that is not required to report in Hawaii, and \$1.3 million from Hawaii Forward, funded by the Democratic Governors Association.

Both bills are moving forward despite concerns from the Attorney General’s Office that the legislation raises constitutional questions.

Lim said she’s encouraged by the campaign finance bills being heard this session and appreciates key lawmakers in the House and Senate for being more open to reform.

“We feel there’s a better reception from the two bodies as a whole,” she said.

Keith-Agaran included a recommendation from Common Cause last month to strengthen Senate Bill 508, the measure aimed at boosting transparency of PAC spending during key months leading up to the election.

The measure initially replaced the current requirement for campaign finance reports to be filed 10 days before the general election with an earlier deadline in October. Its amended form keeps the existing reporting requirement and adds the new one.

The bill only applies to noncandidate committees though. Candidate committees have similar filing deadlines that leave a huge gap in reporting periods.

Lim said she’d love the Legislature to apply the additional requirement to candidate committees too, but “no one seems willing to take that up.”

The bill is on track to clear the full Senate and cross over to the House for its consideration later this month.

Sen. Laura Thielen, who introduced the bill, said she's delighted to see the Senate move forward so many improvements to campaign finance laws.

"These additional reforms are critical given the rise of super PACs and increased money surrounding and influencing elections," she said.

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Frank De Giacomo

These bills aren't Constitutional and will definitely be challenged.

I'm surprised that there was no mention in the article about voter owned elections, which would likely be Constitutional, and has been supported by the county councils of Big island and Honolulu, as well as potentially being endorsed by Maui and Kauai Councils, and which Common Cause, in an email, listed as one of their top pieces of Legislation.

Like · Reply · Mar 4, 2015 8:57am



Andy Parx

Sounds like the plan is to open two loopholes for every one that's closed. It's a joke what passes for "moving forward" at the lege. It's like a shell game without any peas under any of the shells.

We need to have full electronic disclosure within 72 hours of receipt of amounts over a certain threshold- say \$1000. It's a click away. Anything less is the proverbial moving of the deck chairs on the Titanic..

Like · Reply · [2](#) · Mar 4, 2015 1:53pm

**Barbara Polk**

Since the Citizen's United decision, states throughout the country have been working on ways to implement disclosure of donors to independent expenditure committees as suggested by the US Supreme Court in its original ruling. Sen. Keith-Agaran and Rep. Karl Rhoads have been on the forefront of these attempts. It should be noted, however, that former Sen. Hee also supported transparency for super-PACs and in 2013 passed a bill that Keith-Agaran had initiated while in the House. That was the first or one of the first state laws passed anywhere in the country to deal with independent expenditures. All states are still grappling with how to close the loopholes that only appear after corporations maneuver to by-pass existing laws. I've very glad to see our legislature moving to deal with this every-moving target again!

Like · Reply · 1 · Mar 4, 2015 2:45pm

**Frank De Giacomo**

I have seen campaign disclosure laws now for the better part of 30 years and none of them did anything but make lawyers richer, make it harder on third party candidates, and cause more trees to be cut down.

The thing that did help way back when was public financing of elections, but it didn't keep up with the times, or was killed by attrition purposely.

Like · Reply · 1 · Mar 4, 2015 3:32pm

**Dennis Esaki** · President at Esaki Surveying & Mapping INC.

Are they sure that the guys who donate the big bucks before or right after an election do not have any such expectations?

Like · Reply · Mar 20, 2015 1:59pm



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