A BILL FOR AN ACT

RELATING TO CAMPAIGN SPENDING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	PART I.
2	PILOT COMPREHENSIVE PUBLIC FUNDING FOR ELECTIONS
3	TO THE HAWAII COUNTY COUNCIL
4	SECTION 1. There is established a pilot project
5	establishing a comprehensive public funding program for the
6	county of Hawaii council elections. The pilot project shall be
7	for a period of three election cycles, beginning with the 2010
8	elections.
9	SECTION 2. Definitions. Except for terms that are
10	specifically defined in this part, terms that are defined under
11	section 11-191, Hawaii Revised Statutes, shall apply to this
12	part. When used in this part, unless the context clearly
13	requires otherwise:
14	"Candidate" means an individual who seeks nomination for
15	election or seeks election to the Hawaii county council, and who
16	meets the criteria of section 4.

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1 "Candidate's committee" means a committee, as defined in 2 section 11-191, Hawaii Revised Statutes, which makes an 3 expenditure or accepts a contribution on behalf of a candidate 4 for nomination for election, or reelection, to the Hawaii county 5 council, with the candidate's authorization. A candidate shall 6 have only one authorized candidate's committee. 7 "Certification for comprehensive public funding" means the 8 decision by the commission that a candidate is certified to 9 receive public funding in accordance with this part. 10 "Certified candidate" or "comprehensive publicly funded 11 candidate means a participating candidate who is certified by 12 the commission as eligible for comprehensive public funding 13 under this part and who agrees to abide by the requirements of 14 this part. 15 "Commission" means the campaign spending commission established under section 11-192, Hawaii Revised Statutes. 16 **17** "Contested election" means, in a primary election, the certified candidate is opposed by one or more candidates for the 18 19 nomination; and, in a general election, the certified candidate

is opposed by one or more candidates for election to the office.

"County" means the county of Hawaii.

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- 1 "County council" means the county council of the county of
- 2 Hawaii.
- 3 "Declaration of intent to seek comprehensive public
- 4 funding" means the form completed by a participating candidate
- 5 and the filing of which triggers the participating candidate's
- 6 ability to begin collecting qualifying contributions.
- 7 "District" means a county district, as established in
- 8 accordance with section 46-1.5, Hawaii Revised Statutes.
- 9 "Equalizing funds" means additional public funds released
- 10 by the commission to a comprehensive publicly funded candidate
- 11 to allow the publicly funded candidate to stay financially
- 12 competitive with a nonparticipating candidate in a contested
- 13 election.
- "Excess expenditure" means the amount of comprehensive
- 15 public funds spent or obligated to be spent by a comprehensive
- 16 publicly funded candidate in excess of one hundred per cent of
- 17 the allocated funds for a primary election, general election, or
- 18 both.
- "General election campaign period" means the period
- 20 beginning the day after the primary election and ending two
- 21 weeks after a general election.

- 1 "General election year" means the period commencing
- 2 January 1 of an even-numbered year in which a general election
- 3 is held and ending two weeks after the general election.
- 4 "Independent expenditure" means an expenditure by a
- 5 noncandidate committee, party, or any other person for a
- 6 communication that expressly advocates the nomination, election,
- 7 or defeat of a clearly identified certified candidate or
- 8 nonparticipating candidate and that is not made in concert or
- 9 cooperation with or as part of any coordinated activity or at
- 10 the request or suggestion of the certified candidate or
- 11 nonparticipating candidate, a candidate's committee, or their
- 12 agents. For the purposes of this definition, "clearly
- 13 identified means that the name, likeness, photograph, or
- 14 drawing of the certified candidate or nonparticipating candidate
- 15 is used, or the identity of the certified candidate or
- 16 nonparticipating candidate is apparent by unambiguous reference.
- 17 "Nonmonetary contribution" means a contribution other than
- 18 of money that may include goods or services.
- 19 "Nonparticipating candidate" means a candidate who does not
- 20 qualify for or receive public funding during an election period
- 21 and is involved in a contested election with a certified
- 22 participating candidate.

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1 "Participating candidate" means a candidate who is seeking 2 certification for comprehensive public funding under this part. 3 "Primary election campaign period" means the period in a primary election year beginning with the certification for 4 5 comprehensive public funding under this part and ending two 6 weeks after the primary election. 7 "Public funding" or "public funds" means campaign funds 8 from the Hawaii election campaign fund under section 11-217, 9 Hawaii Revised Statutes, received by an eligible candidate 10 pursuant to this part. 11 "Qualifying contribution" means a \$5 monetary contribution made in the form of a check or a money order payable to the fund **12** to a participating candidate for purposes of meeting the 13 14 criteria of section 7. "Qualifying period" means the period in a general election 15 16 year, beginning January 1 and ending on the deadline for filing 17 candidate nomination papers to run in the primary election of a

general election year during which a candidate may collect

public funding under this part; provided the commission has

qualifying campaign contributions to qualify for comprehensive

determined that the Hawaii election campaign fund has sufficient

- 1 funds to make payments to comprehensive publicly funded
- 2 candidates during the election period.
- 3 "Seed money" means contributions made to a participating
- 4 candidate by a person in accordance with section 5 that shall be
- 5 expended for the purpose of determining campaign viability.
- 6 "Surplus campaign funds" means any campaign contributions
- 7 not spent during a prior election period by a participating
- 8 candidate who previously sought election as a privately funded
- 9 candidate.
- 10 SECTION 3. Sufficiency of funding for comprehensive public
- 11 funding. On September 1 of each odd-numbered year before the
- 12 general election years of 2010, 2012, and 2014, the commission
- 13 shall determine whether there is a minimum of \$3,500,000 in the
- 14 Hawaii election campaign fund established under section 11-217,
- 15 Hawaii Revised Statutes, to certify participating candidates
- 16 during the next election and provide funding for comprehensive
- 17 public funding for elections under this part.
- 18 If the commission determines that there is sufficient
- 19 funding, then within five business days, the commission shall
- 20 publish notice statewide, pursuant to section 1-28.5, Hawaii
- 21 Revised Statutes, that the comprehensive public funding program
- 22 shall become effective on January 1 of the following year. If



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1 there is insufficient funding, then this part shall be 2 inoperative. 3 If this part is inoperative, candidates may seek public 4 funding as provided under subpart B of part XII of chapter 11, Hawaii Revised Statutes. 5 6 SECTION 4. Qualifications for comprehensive public 7 (a) A candidate may seek comprehensive public funding funding. 8 for the primary election campaign period if the candidate: 9 (1)Resides in the district from which election is sought 10 as of the date of the filing of nomination papers for 11 the primary election in the general election year in 12 which the candidate seeks to be nominated or elected: 13 Is a registered voter in the district from which (2) 14 election is sought; 15 (3) Files a declaration of intent to seek comprehensive 16 public funding with the commission between January 1

(4) Collects a \$5 district qualifying contribution in
accordance with section 7;

of the election year and thirty days before the

office for which the candidate intends to seek

closing date to file nomination papers to run for

election;

1	(5)	Accepts only the following contributions prior to
2		applying for certification as a comprehensive publicly
3		funded candidate:
4		(A) Seed money contributions until the candidate
5		files a declaration of intent to seek
6		comprehensive public funding; and
7		(B) Qualifying contributions that may be accepted
8		only after filing the declaration of intent to
9		seek comprehensive public funding;
10		and
11	(6)	Files an application for certification for
12		comprehensive public funding with the commission and a
13		declaration that the candidate has complied and will
14		comply with all of the requirements of this part, as
15		applicable.
16	(b)	A candidate is qualified to seek comprehensive public
17	funding f	or the general election campaign period if the
18	candidate	
19	(1)	Was certified as a comprehensive publicly funded
20		candidate during the primary election campaign period
21		immediately preceding the general election in which
22		the funds under this part are provided, and

1	(2)	Received a sufficient number of votes to appear on the
2		ballot in the general election or is otherwise
3		certified by the Hawaii county clerk to be placed on
4		the ballot in the general election.

- 5 SECTION 5. Seed money contributions; limitations on use of
- 6 seed money; penalties. (a) The use of seed money shall be
- 7 limited to expenditures necessary to determine whether
- 8 sufficient support exists for a participating candidate to run
- 9 for office as a comprehensive publicly funded candidate.
- 10 (b) The amount of seed money retained or expended, or
- 11 both, by a candidate seeking eligibility for comprehensive
- 12 public funding for a county council seat shall not exceed
- **13** \$3,000.
- (c) A participating candidate shall not accept
- 15 contributions of seed money from any person whose contributions
- 16 are prohibited under subpart B of part XII of chapter 11, Hawaii
- 17 Revised Statutes. All contributors whose seed money has been
- 18 accepted shall be issued a receipt by the participating
- 19 candidate.
- 20 (d) A participating candidate may use personal funds or
- 21 surplus campaign funds for seed money purposes, all of which

- 1 shall be subject to the \$3,000 limit, as applicable, in
- 2 subsection (b).
- 3 (e) Seed money shall only be spent prior to and during the
- 4 qualifying period and shall not be collected after the candidate
- 5 has filed the declaration of intent to run. The candidate may
- 6 spend seed money only until the candidate is certified by the
- 7 commission as a comprehensive publicly funded candidate.
- 8 (f) Any unspent seed money shall be deducted from the
- 9 initial primary election distribution of a participating
- 10 comprehensive publicly funded candidate if the candidate becomes
- 11 a certified comprehensive publicly funded candidate and does not
- 12 donate excess seed money to the Hawaii election campaign fund
- 13 established under section 11-217, Hawaii Revised Statutes.
- 14 SECTION 6. Restriction on use of surplus campaign funds.
- 15 A comprehensive publicly funded candidate who has surplus
- 16 campaign funds from a previous election is prohibited from using
- 17 those funds for anything other than in-office constituent
- 18 communications. The surplus campaign funds shall be frozen and
- 19 maintained in a separate depository account from that
- 20 established for the comprehensive public funds under section 16.
- 21 The comprehensive publicly funded candidate shall continue to
- 22 file reports on the surplus campaign funds in accordance with



- 1 subpart B of part XII of chapter 11, Hawaii Revised Statutes, or
- 2 as otherwise may be required by the commission.
- 3 SECTION 7. Qualifying campaign contributions. (a) Each
- 4 qualifying campaign contribution shall meet the requirements of
- 5 this section. To be counted as a qualifying campaign
- 6 contribution, a contributor to a candidate for a seat on the
- 7 Hawaii county council shall be a registered voter who resides
- 8 within the county district to which the candidate seeks
- 9 nomination or election at the time the contribution is given. A
- 10 contribution shall be made in an amount and in a form that may
- 11 be prescribed by the commission.
- 12 (b) No qualifying contribution shall be collected prior to
- 13 a candidate filing a declaration of intent to seek comprehensive
- 14 public funding with the commission.
- 15 (c) Any receipt for a qualifying campaign contribution
- 16 shall be made in a form that may be prescribed by the
- 17 commission.
- 18 (d) All qualifying campaign contributions collected by
- 19 candidates, whether or not the candidate is certified, shall be
- 20 deposited into the Hawaii election campaign fund established
- 21 under section 11-217, Hawaii Revised Statutes.

- 1 SECTION 8. Certification of qualification for
- 2 comprehensive public funds. (a) Candidates seeking
- 3 certification as a comprehensive publicly funded candidate shall
- 4 submit to the commission an application for certification that
- 5 contains at least two hundred signatures and qualifying
- 6 contributions for the county of Hawaii from registered voters in
- 7 the district for which the candidate seeks office no later than
- 8 thirty days prior to the primary election, signed by the
- 9 participating candidate and the participating candidate's
- 10 campaign treasurer under penalty of perjury. The clerk for the
- 11 county of Hawaii shall verify that at least two hundred
- 12 signatures and qualifying contributions were received from
- 13 registered voters in the district for which the candidate seeks
- 14 office, that the candidate resides in the district from which
- 15 election is sought as of the date of the filing of nomination
- 16 papers, and that the candidate is a registered voter in the
- 17 district from which election is sought.
- 18 (b) The application shall also include any information
- 19 deemed necessary and appropriate by the commission.
- 20 (c) The commission shall issue a decision to certify or
- 21 deny certification of a candidate as a comprehensive publicly
- 22 funded candidate within ten business days following receipt of



- 1 the candidate's completed application for certification for 2 comprehensive public funds. 3 After a participating candidate is certified as a 4 comprehensive publicly funded candidate, the candidate's 5 certification shall apply to both the primary and the general 6 election, even if the candidate is unopposed in the primary 7 election. 8 SECTION 9. Comprehensive publicly funded candidates; 9 contributions and expenditures; penalties. (a) Except as 10 authorized under section 12, a certified candidate shall comply 11 with the following restrictions on contributions and 12 expenditures: 13 (1)Upon certification for comprehensive public funding 14 and until the end of the general election period, a 15 comprehensive publicly funded candidate shall not 16 accept for use in the campaign: 17 (A) Contributions from any source; provided that the 18 candidate may accept in-kind contributions 19 aggregating less than \$200 in any single month 20 from any single source; 21 (B) Loans from any person, including a certified
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candidate;

1		(C)	Contributions from political parties; and
2		(D)	Any campaign material purchased or held from a
3			date prior to the declaration of intent to run
4			for office as a comprehensive publicly funded
5			candidate;
6		and	
7	(2)	Upon	certification for comprehensive public funding
8		and	until the end of the general election period, a
9		comp	rehensive publicly funded candidate shall not
10		expe	end for campaign purposes:
11		(A)	Any money except public funds issued by the
12			commission;
13		(B)	Public funds for purposes other than those
14			permitted in this part;
15		(C)	Public funds outside the applicable campaign
16			period for which the funding is allocated, except
17			for proper campaign debts incurred but not paid;
18			and
19		(D)	Public funds in excess of the comprehensive
20			public funds allocated to the candidate,
21			including equalizing funds, or incur an

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1	obligation or obligations to spend public funds
2	in excess of this amount.
3	(b) A certified candidate who accepts contributions in
4	violation of this section shall be subject to a fine equal to
5	three times the public funding received, in addition to any
6	other action, fines, or prosecution under section 18.
7	(c) A certified candidate who spends or incurs an
8	obligation to spend more than one hundred per cent of the public
9	funds allocated to the candidate under this part shall repay to
10	the Hawaii election campaign fund established under section

- 13 SECTION 10. Comprehensive publicly funded candidate;
- 14 reporting. (a) A comprehensive publicly funded candidate and

11-217, Hawaii Revised Statutes, an amount equal to three times

- 15 the certified candidate's committee shall furnish complete
- 16 campaign records, including all records of nonmonetary
- 17 contributions, seed money contributions, qualifying campaign
- 18 contributions to the commission, and expenditures to the
- 19 commissioner. A candidate shall fully cooperate with any audit
- 20 or examination by the commission.

the excess expenditures.

- 21 (b) A comprehensive publicly funded candidate shall comply
- 22 with the reporting requirements of sections 11-194, 11-195, 11-

- 1 195.5, 11-196, 11-212, 11-213, and 11-224, Hawaii Revised
- 2 Statutes, in addition to those required under this part or that
- 3 may be required by the commission.
- 4 (c) The commission shall require that all certified
- 5 candidates file the reports required under this part in a
- 6 digital, electronic format specified by rules adopted by the
- 7 commission under chapter 91, Hawaii Revised Statutes.
- 8 SECTION 11. Comprehensive publicly funded candidate;
- 9 continuing obligation. (a) A certified candidate shall comply
- 10 with all requirements under this part through the general
- 11 election campaign period regardless of whether the certified
- 12 candidate maintains eligibility for comprehensive public funding
- in the general election campaign period.
- 14 (b) A certified comprehensive publicly funded candidate
- 15 who wins office shall be allowed to fundraise no more then
- 16 \$2,000 per year with individual contributions of no greater then
- **17** \$250.
- 18 (c) Any surplus of funds for a successful certified
- 19 comprehensive publicly funded candidate up to \$4,000 may be
- 20 carried over to cover in-office constituent communications not
- 21 to exceed the \$2,000 annual allotment or \$4,000 for a two-year
- 22 term.

- 1 (d) If the total surplus from a publicly funded campaign
- 2 falls under \$4,000 the certified comprehensive publicly funded
- 3 office holder shall be allowed to raise the difference pursuant
- 4 to subpart B of part XII of chapter 11, Hawaii Revised Statutes,
- 5 while in office.
- 6 (e) Except for seed money contributions, qualifying
- 7 contributions, and in-office constituent communications, a
- 8 certified candidate who is elected to the office sought shall
- 9 not accept private contributions from any person, political
- 10 party, or political action committee until either September 1 of
- 11 the next odd-numbered year following the general election in
- 12 which the candidate was last elected, or the date when the
- 13 commission determines there are insufficient funds under
- 14 section 3, whichever occurs earlier.
- 15 (f) If a certified candidate withdraws from seeking the
- 16 nomination for or from the election, or has unspent public funds
- 17 after an election, all unencumbered funds received by the
- 18 candidate under this part shall be returned to the Hawaii
- 19 election campaign fund established under section 11-217, Hawaii
- 20 Revised Statutes, within ten days after the general election.
- 21 SECTION 12. Sufficiency of public funding; amount of base
- 22 public funding; disbursements. (a) The commission shall not



- 1 distribute comprehensive public funding to certified candidates
- 2 that exceeds the total amount of \$300,000 for all candidates
- 3 subject to this part in any given election year in which this
- 4 part is operative.
- 5 (b) Commencing January 1 of a general election year and
- 6 ending with the deadline to submit applications for
- 7 certification, the commission shall post on its website a
- 8 monthly report stating, by district:
- 9 (1) The number of declarations of intent to seek
- 10 comprehensive public funding received;
- 11 (2) The number of applications for certification received;
- 12 (3) The number of candidates who have been certified for
- comprehensive public funding;
- 14 (4) The base amount of public funding committed to
- 15 certified candidates; and
- 16 (5) The amount of public funding available for additional
- 17 certified candidates.
- 18 Notwithstanding any other provisions in this part, if the
- 19 commission determines that the revenues are insufficient to meet
- 20 distributions to certified candidates under this section, the
- 21 commission shall either permit certified candidates to accept
- 22 and spend contributions, subject to the campaign contribution

- 1 limitations set forth in section 11-204, Hawaii Revised
- 2 Statutes, up to the applicable amounts, including equalizing
- 3 funds the certified candidate would have received from
- 4 comprehensive public funding.
- 5 (c) For primary elections subject to this part, the dollar
- 6 amount of the initial allotment of comprehensive public funding
- 7 shall be set at an average of the amount spent by the winning
- 8 candidates in the previous two county council primary elections
- 9 of the same district, reduced by ten per cent.
- 10 (d) For general elections subject to this part, the dollar
- 11 amount of the initial allotment of comprehensive public funding
- 12 shall be set at an average of the amount spent by the winning
- 13 candidates in the previous two county council general elections
- 14 for the same district, reduced by ten per cent.
- 15 (e) The base amount of public funding for an uncontested
- 16 primary election shall be thirty per cent of the amount provided
- 17 in a contested election as determined under subsection (a). No
- 18 funding shall be allocated in an uncontested general election.
- 19 (f) Public funds, including equalizing funds, shall be
- 20 paid to a certified candidate by the comptroller in the manner
- 21 prescribed in section 11-222, Hawaii Revised Statutes.

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              If the winning primary candidate has residual funds
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    from the primary election, those funds may be carried over to
 3
    the general election. A certified candidate who is not
 4
    successful in the primary election shall return all unspent and
 5
    unencumbered public funds to the Hawaii campaign election fund
 6
    established under section 11-217, Hawaii Revised Statutes,
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    within ten days after the primary election.
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         SECTION 13. Equalizing funds, sufficiency of funds.
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    The commission shall disburse equalizing funds to a certified
10
    candidate in a contested election whenever that candidate is
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    outspent by an opposing nonparticipating candidate. An opposing
12
    nonparticipating candidate is deemed to have outspent a
13
    certified candidate when the campaign report filed pursuant to
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    subpart B of part XII of chapter 11, Hawaii Revised Statutes,
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    shows that the sum of an opposing nonparticipating candidate and
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    the nonparticipating candidate's committee's expenditures and
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    obligations, or campaign contributions received or borrowed,
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    whichever is greater, added to any independent expenditures made
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    in support of that nonparticipating candidate or against the
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    opposing certified candidate reported by any noncandidate's
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    committee, party, or any other person exceeds one hundred per
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    cent of the amount of comprehensive public funding previously
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- 1 allotted and distributed to the opposing certified candidate in
- 2 a contested election, including any equalizing funds previously
- 3 distributed.
- 4 (b) In a contested election, equalizing funds shall be
- 5 limited to an amount equal to the base amount of comprehensive
- 6 public funding allotted to the certified candidate.
- 7 (c) The commission shall authorize and monitor all
- 8 equalizing spending by participating candidates.
- 9 SECTION 14. Reporting; penalties for failure to report.
- 10 (a) Reporting obligations under this section for
- 11 nonparticipating candidates and their candidate's committees,
- 12 noncandidate committees, parties, or any other persons making
- 13 independent expenditures shall be in addition to the reporting
- 14 requirements under this part and chapter 11, Hawaii Revised
- 15 Statutes, whenever a certified candidate is opposed in a
- 16 contested election by a nonparticipating candidate as follows:
- 17 (1) Commencing forty-five days before the primary election
- 18 day, nonparticipating candidates and their candidate's
- 19 committees shall file an initial excess report with
- the commission within twenty-four hours after
- 21 cumulative contributions are received, or expenditures
- are made or committed to be made, including verbal

1		commitments, in an election period that exceeds one
2		hundred one per cent of the base amount of
3		comprehensive public funding allotted to an opposing
4		certified candidate in a contested election.
5		Nonparticipating candidates and the candidate's
6		committees shall file supplemental excess reports
7		within twenty-four hours after any encumbrances or
8		expenditures that exceed \$1,000 in aggregate; and
9	(2)	Commencing forty-five days before the general election
10		day, noncandidate committees, parties, and any other
11		persons that incur independent expenditures that
12		expressly advocate the nomination, election, or defeat
13		of a certified candidate shall file an independent
14		expenditure report with the commission within
15		twenty-four hours when expenditures exceed \$1,000 in
16		aggregate in an election period. Thereafter,
17		noncandidate committees, parties, and any other
18		persons that incur independent expenditures, including
19		verbal expenditure commitments, shall file
20		supplemental independent expenditure reports within
21		twenty-four hours whenever the aggregate expenditures
22		exceed \$100. The independent expenditure reports

1	shall identify the nonparticipating candidate or
2	certified candidate for whom the independent
3	expenditure is intended to influence the nomination,
4	election, or defeat.
5	(b) If a nonparticipating candidate and the candidate's
6	committee fails to file on or before the due date as required by
7	this section or files a false excess report or supplemental
8	excess reports, the commission, within twenty-four hours of
9	verifying the failure or falsity, shall inform the comptroller.
10	Public funds shall be paid to a certified candidate by the
11	comptroller in the manner prescribed in section 11-222, Hawaii
12	Revised Statutes.
13	(c) Any nonparticipating candidate and the candidate's
14	committee, noncandidate committee, party, or any other person
15	that makes independent expenditures in a contested election
16	involving a certified candidate and that fails to file a report
17	as required under this part or files a false report shall be:
18	(1) Guilty of a misdemeanor;
19	(2) Subject to a fine of up to three times the amount of
20	equalizing funds paid to the certified candidate; and
21	(3) Subject to any other fine or penalty pursuant to

sections 11-228 and 11-229, Hawaii Revised Statutes.

- 1 SECTION 15. Comprehensive public funding; permitted uses.
- 2 (a) Comprehensive public funds shall be used only for the
- 3 purpose of defraying expenses that are directly related to the
- 4 certified candidate's campaign during the election campaign
- 5 period for which the comprehensive public funds are allocated.
- 6 (b) A candidate receiving funds under this part or the
- 7 candidate's campaign treasurer shall not transfer any portion of
- 8 the funds provided under this part to any other candidate for
- 9 another campaign.
- 10 SECTION 16. Deposit of, and access to, comprehensive
- 11 public funds. (a) All public funds received by a certified
- 12 candidate shall be deposited directly into a depository
- 13 institution as provided under section 11-199(a), Hawaii Revised
- 14 Statutes, and accessed through use of credit cards, debit cards,
- 15 and bank checks.
- 16 (b) All reports required under subpart B of part XII of
- 17 chapter 11, Hawaii Revised Statutes, and this part for financial
- 18 disclosure shall include a recent, available bank statement from
- 19 the financial depository holding the public funds, as attested
- 20 to by the candidate's committee.

- (c) Failure to submit a required report in a timely manner
- 2 shall result in a fine of \$500, to be assessed against the
- 3 candidate's committee.
- 4 SECTION 17. Deposit of money into the Hawaii election
- 5 campaign fund. In addition to the funds collected by the
- 6 commission and pursuant to section 11-217, Hawaii Revised
- 7 Statutes, the following moneys shall be deposited into the
- 8 Hawaii election campaign fund established under section 11-217,
- 9 Hawaii Revised Statutes:
- 10 (1) Appropriations from the legislature;
- 11 (2) Excess seed money contributions;
- 12 (3) Qualifying contributions, including any excess
- 13 qualifying contributions of certified candidates;
- 14 (4) Unspent public funds distributed to any certified
- 15 candidate;
- 16 (5) Fines levied by the commission for violation of this
- part; and
- 18 (6) Voluntary donations.
- 19 SECTION 18. Violations; penalties. Any candidate who
- 20 knowingly seeks or receives public funding to fraudulently
- 21 qualify for or receive public funding shall:

1	(1)	have the candidate's tertification for complementative
2		public funding revoked. Upon revocation of
3		certification, the certified candidate shall repay all
4		public funds received within ten business days; and
5	(2)	Be subject to fines and penalties as specifically
6		provided in this part and other fines or penalties
7		pursuant to sections 11-228 and 11-229, Hawaii Revised
8		Statutes.
9	SECT	ION 19. This part shall be a pilot project limited to
10	the elect	ions of 2010, 2012, and 2014 for the county of Hawaii
11	county co	uncil elections only. No candidate who qualifies for
12	comprehen	sive public funding under this part in any of the
13	elections	of 2010, 2012, and 2014, shall become eligible for
14	partial p	ublic funding in the election for which the candidate
15	qualifies	for funding under this part; provided that the
16	comprehen	sive financing provided under this part is declared
17	operative	pursuant to section 3.
18	SECT	ION 20. The campaign spending commission shall create
19	and publi	sh all forms and receipts required as well as a
20	candidate	s' guide to the comprehensive public funding program
21	that shal	l include an explanation of rules and procedures
22	applicabl	e to candidates. In addition to the reports required

- 1 by section 11-210, Hawaii Revised Statutes, the campaign
- 2 spending commission shall establish and provide administrative
- 3 and staff support to an independent, nonpartisan review
- 4 committee to undertake a substantive review of the functioning
- 5 of the comprehensive public funding program established under
- 6 this part following each election in which the comprehensive
- 7 public funding option is used. The review committee shall
- 8 report to the legislature no later than twenty days prior to the
- 9 convening of the next regular session following each election
- 10 when the comprehensive public funding option is made available.
- 11 The report shall include:
- 12 (1) Suggested amendments to this part that may address the
- need to improve equalizing public funding to match
- independent expenditures and any excess expenditures
- of publicly funded and nonparticipating candidates;
- 16 (2) Suggested amendments to this part that will extend
- 17 publicly funded campaigns to other state and county
- 18 elections;
- 19 (3) A summary and evaluation of the commission's
- 20 activities and recommendations to enhance the
- 21 effective and timely administration and enforcement of
- this part; and

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1	(4)	An examination of mechanisms for increasing revenues
2		of the Hawaii election campaign fund, including
3		methods used in other states.

- The campaign spending commission shall gather data from the county clerk of Hawaii to gather data and submit a report to the legislature no later than twenty days prior to the start of the next regular session after each election.
- The legislative reference bureau shall assist the campaign spending commission in drafting any proposed amendments to this part.
- 11 SECTION 21. Section 11-217.5, Hawaii Revised Statutes, is 12 amended to read as follows:
- "\$11-217.5 Depletion of fund. (a) The Hawaii election

 campaign fund shall be under no obligation to provide moneys to

 [qualified] eligible candidates [in the event that] if, in the

 partial public funding program or comprehensive public funding

 for elections to the county councils, moneys in that fund [have

 been depleted.] are near depletion.
- (b) [In the event that] For purposes of the partial

 funding program, if the Hawaii election campaign fund is close

 to depletion, as determined by the commission, the commission

 shall determine the amounts available to [qualified] eligible

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- 1 candidates based on their order of eligibility in qualifying for
- 2 partial public funds, as determined by the date of filing of an
- 3 application for public funds with the commission pursuant to
- 4 section 11-222; provided that the application has been accepted
- 5 by the commission.
- 6 (c) For the purposes of the comprehensive public funding
- 7 for elections to the county councils, if the Hawaii election
- 8 campaign fund is close to depletion, the commission shall
- 9 determine whether that program shall be operative in accordance
- 10 with subpart ."
- 11 SECTION 22. If any provisions in this part conflict with
- 12 or are otherwise inconsistent with any statutory provision of
- 13 part XII of chapter 11, Hawaii Revised Statutes, this part shall
- 14 supersede any such conflicting or inconsistent statutory
- 15 provisions for the purposes of this part.
- 16 PART II.
- 17 SECTION 23. Section 11-191, Hawaii Revised Statutes, is
- 18 amended by:
- 1. Amending the definition of "loan" to read:
- ""Loan" means an advance of money, goods, or services, with
- 21 a promise to repay in full or in part within a specified period

1	of time.	A "loan" does not include expenditures made on behalf
2	of a comm	ittee by a candidate, volunteer, or employee if:
3	(1)	A candidate, volunteer, or employee's aggregate
4		expenditures do not exceed \$1,500 within a thirty day
5		period;
6	(2)	A dated receipt and a written description of the name
7		and address of each payee and the amount, date, and
8		purpose of each expenditure is provided to the
9		committee before the committee reimburses the
10		candidate, volunteer, or employee; and
11	(3)	The committee reimburses the candidate, volunteer, or
12		employee within forty-five days of the expenditure
13		being made."
14	2.	By amending the definition of "person" to read:
15	" "Pe	rson" means an individual, partnership, committee,
16	associati	on, corporation, business entity, organization, or
17	labor uni	on and its auxiliary committees."
18	SECT	ION 24. Section 11-193, Hawaii Revised Statutes, is
19	amended b	y amending subsection (a) to read as follows:
20	"(a)	The duties of the commission under this subpart are:
21	(1)	To develop and adopt reporting forms required by this
22		subpart;

2		committees, describing the requirements of this
3		subpart, including uniform and simple methods of
4		recordkeeping;
5	(3)	To preserve all reports required by this subpart for
6		at least ten years from the date of receipt;
7	(4)	To permit the inspection, copying, or duplicating of
8		any report required by this subpart pursuant to rules
9		adopted by the commission; provided that no
10		information or copies from the reports shall be sold
11		or used by any person for the purpose of soliciting
12		contributions or for any commercial purpose;
13	[(5)	To ascertain whether any candidate, committee, or
14		party has failed to file a report required by this
15		subpart or has filed a substantially defective or
16		deficient report, and to notify these persons by first
17		class mail that their failure to file or filing of a
18		substantially-defective or deficient report must be
19		corrected and explained. The correction or
20		explanation shall be submitted in writing to the
21		commission not later than 4:30 p.m. on the fifth day
22		after notification of the failure to file or

(2) To adopt and publish a manual for all candidates and

1		deficiency has been mailed to these persons. The
2		commission shall publish in the newspaper, and on its
3		website, the names of all candidates, committees, and
4		parties who have failed to file a report or to correct
5		their deficiency within the time allowed by the
6		commission. Failure to file or correct a report when
7		due, as required by this subpart, shall result in a
8		penalty of \$50. Failure to respond after a newspaper
9		notification or website publication shall result in an
10		additional penalty of \$50 for each day a report
11		remains overdue or uncorrected. All penalties
12		collected under this section shall be deposited in the
13		Hawaii election campaign fund;
14	(6)]	(5) To hold public hearings;
15	[(7)]	(6) To investigate and hold hearings for receiving
16		evidence of any violations;
17	[(8)]	(7) To adopt a code of fair campaign practices as a
18		part of its rules;
19	[-(9)-]	(8) To establish rules pursuant to chapter 91;
20	[(10)]	(9) To request the initiation of prosecution for the
21		violation of this subpart pursuant to section 11-229;

1	[(11)]	(10) To administer and monitor the distribution of
2		public funds under this subpart;
3	[(12)]	(11) To suggest accounting methods for candidates,
4		parties, and committees, as the commission may deem
5		advisable, in connection with reports and records
6		required by this subpart;
7	[(13)]	(12) To employ or contract, without regard to
8		chapters 76, 78, and 89 and section 28-8.3, and, at
9		pleasure, to dismiss persons it finds necessary for
10		the performance of its functions, including a full-
11		time executive director, and to fix their
12		compensation;
13	[-(14)-]	(13) To do random audits, field investigations, as
14		necessary;
15	[(15)]	(14) To file for injunctive relief when indicated;
16		and
17	[(16)]	(15) To render advisory opinions upon the request of
18		any candidate, candidate committee, noncandidate
19		committee, or other person or entity subject to this
20		chapter, as to whether the facts and circumstances of
21		a particular case constitute or will constitute a
22		violation of the campaign spending laws. If no

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1	advisory opinion is rendered within ninety days after
2	all information necessary to issue an opinion has been
3	obtained, it shall be deemed that an advisory opinion
4	was rendered and that the facts and circumstances of
5	that particular case do not constitute a violation of
6	the campaign spending laws. The opinion rendered or
7	deemed rendered, until amended or revoked, shall be
8	binding on the commission in any subsequent charges
9	concerning the candidate, candidate committee,
10	noncandidate committee, or other person or entity
11	subject to this chapter, who sought the opinion and
12	acted in reliance on it in good faith, unless material
13	facts were omitted or misstated by the persons in the
14	request for an advisory opinion. Nothing in this
15	section shall be construed to allow the commission to
16	issue rules through an advisory opinion."
17	SECTION 25. Section 11-195, Hawaii Revised Statutes, is
18	amended to read as follows:
19	"§11-195 Filing of reports, generally. (a) All reports
20	required to be filed under this subpart by a candidate [or those
21	committees directly associated with the candidate's candidacy

committee shall be certified by the candidate and treasurer.

- 1 Reports required to be filed under this subpart by a [party or
- 2 committee that supports more than one candidate] noncandidate
- 3 committee shall be certified by [a person authorized to sign the
- 4 reports. All reports required to be filed under this subpart
- 5 shall be open for public inspection in the office of the
- 6 commission.] the chairperson and treasurer.
- 7 (b) [The original and one copy of all] All reports
- 8 required under this subpart shall be electronically filed [at
- 9 the office of the commission. In the case of counties having
- 10 less than two hundred thousand voters, the filing shall be
- 11 accomplished by filing an original and two copies of the
- 12 required report with either the commission or the clerk of the
- 13 county in which the candidate resides. The clerk shall then
- 14 immediately mail the original and one copy of the report to the
- 15 commission.
- 16 (c) The commission or county clerk shall give each person
- 17 filing a report a receipt stating the type of report filed and
- 18 the date and time of filing.
- 19 (d) All reports filed with the county clerk's office shall
- 20 be preserved by that office for four years from the date of
- 21 receipt.] on the commission's electronic filing system.

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          [<del>(e)</del>] (c) All reports required to be filed under this
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    subpart shall at all times be available to the general public.
3
          \left[\frac{f}{f}\right] (d) For purposes of this subpart, whenever a report
    is required to be filed with the commission, "filed" means
4
     [received in the office of the commission or county clerk,
5
6
    whichever is applicable, electronically filed on the
7
    commission's electronic filing system by the date and time
    specified for the filing of the report[; except that a
8
9
    noncandidate committee required to be registered with the
10
    commission pursuant to section 11-194(d), and a candidate] by
11
    the:
          (1) Candidate or the committee of a candidate who is
12
                seeking election to the:
13
         [\frac{1}{1}] (A) Office of governor;
14
         [<del>(2)</del>] (B) Office of lieutenant governor;
15
         [\frac{(3)}{(3)}] (C) Office of mayor;
16
         [<del>(4)</del>] (D) Office of prosecuting attorney;
17
         [(5)] (E) County council;
18
19
         [-(6)-] (F) Senate;
20
         [\frac{(7)}{1}] (G) House of representatives;
         [\frac{(8)}{(1)}] (H) Office of Hawaiian affairs; or
21
         [\frac{(9)}{(9)}] (I) Board of education[\tau
22
```

1	shall fil	e by electronic means in the manner prescribed by the
2	commissio	on.]; or
3	(2)	Noncandidate committee required to be registered with
4		the commission pursuant to section 11-194.
5	(e)	In order to be timely filed, a committee's reports
6	shall be	filed on the commission's electronic filing system on
7	or before	e 11:59 p.m. Hawaii standard time on the prescribed
8	filing da	ite."
9	SECT	TION 26. Section 11-200, Hawaii Revised Statutes, is
10	amended b	y amending subsection (b) to read as follows:
11	"(b)	Any provision of law to the contrary notwithstanding,
12	a candida	te, campaign treasurer, or candidate's committee, as a
13	contribut	ion:
14	(1)	May purchase from its campaign fund not more than two
15		tickets for each event held by another candidate,
16		committee, or party whether or not the event
17		constitutes a fundraiser as defined in section 11-203;
18	(2)	May use campaign funds for any ordinary and
19		[necessary] customary expenses incurred in connection
20		with the candidate's duties as a holder of an elected
21		state or county office, as the term is used in section
22		11-206(c); and

1	(3) May make contributions from its campaign fu	nd to	any
2	community service, educational, youth, recre	eatio	nal,
3	charitable, scientific, or literary organiza	ation	;
4	provided that in any election cycle, the to	tal a	mount
5	of all contributions from campaign funds and	d sur	plus
6	funds shall be no more than the maximum amou	ınt t.	hat
7	one person or other entity may contribute to	tha	t
8	candidate pursuant to section 11-204(a); pro	ovide	đ
9	further that no contributions from campaign	fund	S
10	shall be made from the date the candidate fi	les	
11	nomination papers to the date of the general	L	
12	election."		
13	SECTION 27. Section 11-204, Hawaii Revised Statu	ıtes,	is
14	amended by amending subsection (b) to read as follows:	1	
15	"(b) No person or any other entity shall make		
16	contributions to a noncandidate committee, in an aggre	gate	
17	amount greater than \$1,000 in an election[\div]; except t	hat,	in
18	the case of a corporation or company using funds from	its	own
19	treasury, a contribution by the corporation or company	to i	lts
20	noncandidate committee shall not exceed \$25,000 in an	elect	ion.
21	A corporation or company shall not contribute any fund	ls dir	rectly
22	to a candidate, candidate committee, or party."		

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- 1 SECTION 28. Section 11-205.6, Hawaii Revised Statutes, is
- 2 amended to read as follows:
- 3 "§11-205.6 Campaign contributions; loans. (a) Any loan
- 4 to a candidate or candidate's committee in excess of \$100 shall
- 5 be documented and disclosed as to lender, including the lender's
- 6 name, address, employer, and occupation and purpose of the loan
- 7 in the subsequent report to the commission. A copy of the
- 8 executed loan document shall accompany the report. The document
- 9 shall contain the terms of the loan, including the interest and
- 10 repayment schedule. Failure to document the loan or to disclose
- 11 the loan to the commission shall cause the loan to be treated as
- 12 a campaign contribution, subject to all relevant provisions of
- 13 this chapter.
- 14 (b) A candidate or candidate's committee may receive and
- 15 accept loans in an aggregate amount not to exceed \$10,000 during
- 16 an election period, provided that if the \$10,000 limit is
- 17 reached, the candidate or candidate's committee shall be
- 18 prohibited from receiving or accepting any other loans until the
- 19 \$10,000 is repaid in full by the candidate or candidate's
- 20 committee.
- 21 (c) If any loan made to a candidate is not repaid within
- 22 one year of the date that the loan is made, the candidate and



- 1 candidate's committee shall be prohibited from accepting any
- 2 other loans, and all subsequent contributions received and any
- 3 surplus retained shall only be expended toward the repayment of
- 4 the outstanding loan, until the loan is repaid in full by the
- 5 candidate or candidate's committee.
- 6 (d) No loan may be accepted or made by noncandidate
- 7 committees.
- 8 (e) Any loan by a financial institution regulated by the
- 9 State or a federally chartered depository institution and made
- 10 in accordance with applicable law in the ordinary course of
- 11 business, or a loan by a candidate of the candidate's own funds,
- 12 or a loan from immediate family members of a candidate using
- 13 their own funds to the candidate's committee shall not be deemed
- 14 a contribution and not subject to the contribution limits
- 15 provided in section 11-204 or the loan limit and repayment
- 16 provisions of subsection (b) and (c); provided that loans from
- 17 the immediate family members of the candidate shall remain
- 18 subject to the provisions in section 11-204(c).
- 19 (f) For the purposes of this section, a "loan" does not
- 20 include expenditures made on behalf of a candidate committee by
- 21 a candidate, volunteer, or employee if:

1	<u>(1)</u>	The candidate's, volunteer's, or employee's aggregate
2		expenditures do not exceed \$1,500 within a thirty-day
3		period;
4	(2)	A dated receipt and a written description of the name
5		and address of each payee and the amount, date, and
6		purpose of each expenditure is provided to the
7		candidate committee before the candidate committee
8		reimburses the candidate, volunteer, or employee; and
9	(3)	The candidate committee reimburses the candidate,
10		volunteer, or employee within forty-five days of the
11		expenditure being made."
12	SECT	ION 29. Section 11-206, Hawaii Revised Statutes, is
13	amended by	y amending subsection (c) to read as follows:
14	"(C)	Surplus funds may be used after a general or special
15	election	for:
16	(1)	Any fundraising activity;
17	(2)	Any other politically related activity sponsored by
18		the candidate;
19	(3)	Any ordinary and [necessary] customary expenses
20		incurred in connection with the candidate's duties as
21		a holder of an elected state or county office; or

1	(4)	Any contribution to any community service,
2		educational, youth, recreational, charitable,
3		scientific, or literary organization; provided that in
4		any election cycle, the total amount of all
5		contributions from campaign funds and surplus funds
6		shall be no more than <u>twice</u> the maximum amount that
7		one person or other entity may contribute to that
8		candidate pursuant to section 11-204(a); provided
9		further that no contributions from campaign funds
10		shall be made from the date the candidate files
11		nomination papers to the date of the general
12		election."
13	SECT	ION 30. Section 11-207.5, Hawaii Revised Statutes, is
14	amended by	y amending subsection (a) to read as follows:
15	"(a)	Each candidate, candidate's committee, or committee,
16	that with:	in the period of fourteen calendar days through four
17	calendar o	days prior to a primary, special primary, general, or
18	special ge	eneral election, makes contributions aggregating more
19	than \$500,	or receives contributions from any person or entity
20	aggregatin	ng more than \$500, shall file a report with the
21	commission	1 [or appropriate county clerk's office on forms

1	provided by the commission, no later than 4:30 p.m.,] three
2	calendar days prior to the election."
3	SECTION 31. Section 11-212, Hawaii Revised Statutes, is
4	amended as follows:
5	1. By amending subsection (a) to read:
6	"(a) (1) The candidate committee of each candidate whose
7	name will appear on the ballot in the immediately
8	succeeding election shall file a preliminary report
9	[with the commission or appropriate county-clerk's
10	office]. Preliminary reports shall be filed [on forms
11	provided by the commission no later than 4:30 p.m.] on
12	the following dates:
13	(A) July thirty-first of the year of the primary
14	election;
15	(B) Ten calendar days prior to each primary and
16	initial special election; and
17	(C) Ten calendar days prior to a special or general
18	election.
19	(2) Each report shall be certified pursuant to section 11-
20	195 and shall contain the following information which
21	shall be current through June 30 prior to the filing

of the report filed on the thirty-first of July and

1	fift	h calendar day prior to the filing of other
2	prel	iminary reports:
3	(A)	The aggregate sum of all contributions and other
4		campaign receipts received;
5	(B)	The amount and date of deposit of the
6		contribution and the name and address of each
7		donor who contributes an aggregate of more than
8		\$100 during an election period, which has not
9		previously been reported; provided that if all
10		the information is not on file, the contribution
11		shall be returned to the donor within thirty days
12		of deposit;
13	(C)	The amount and date of deposit of each
14		contribution and the name, address, employer, and
15		occupation of each donor who contributes an
16		aggregate of \$1,000 or more during an election
17		period, which has not previously been reported;
18		provided that if all the information is not on
19		file, the contribution shall be returned to the
20		donor within thirty days of deposit;
21	(D)	All expenditures made, incurred, or authorized by
22		or for a candidate, including the name and

1	address of each payee and the amount, date, and
2	purpose of each expenditure; and
3	(E) A current statement of the balance on hand or
4	deficit."
5	2. By amending subsection (b) to read:
6	"(b) Each noncandidate committee shall file a preliminary
7	report with the commission[, on forms provided by the
8	commission, no later than 4:30 p.m.] on the tenth calendar day
9	prior to each primary election and the tenth calendar day prior
10	to a special or general election. Each report shall be
11	certified pursuant to section 11-195 and shall contain the
12	following information, which shall be current through the fifth
13	calendar day prior to the filing of a preliminary report:
14	(1) The aggregate sum of all contributions and other
15	campaign receipts received;
16	(2) The amount and date of deposit of the contribution and
17	the name, address, employer, and occupation of each
18	donor who contributes an aggregate of \$100 or more
19	during an election period, which has not previously
20	been reported; provided that if all the information is
21	not on file, the contribution shall be returned to the
22	donor within thirty days of deposit;

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1	(3) The amount and	date of each disbursement or
2	contribution ma	de to a candidate, party, organization,
3	or committee, i	ncluding the name and address of each
4	payee, which ha	s not previously been reported;
5	(4) The amount and	date of each expenditure made or
6	incurred by the	committee for or against any
7	candidate, ball	ot issue, or on behalf of another
8	committee, which	n has not previously been reported; and
9	(5) A current states	ment of the balance on hand."
10	3. By amending subs	ection (d) to read:
11	"(d) A candidate, pa	arty, or committee whose aggregate
12	contributions and aggregation	te expenditures for the reporting
13	period each total \$2,000	or less may file a short form report
14	with the commission [or a	opropriate county clerk's office] in
15	lieu of the reports requi:	red by this section and section 11-
16	213."	
17	SECTION 32. Section	11-213, Hawaii Revised Statutes, is
18	amended as follows:	
19	1. By amending subse	ection (a) to read:

whether or not successful in a primary or initial special election, authorized person in the case of a party, or campaign 2008-2314 HB661 SD3 SMA-1.doc

"(a) Primary and initial special election. Each candidate

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1 treasurer in the case of a committee, shall file a final pr	imary
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- 2 report certified pursuant to section 11-195 with the commission
- 3 [on forms provided by the commission no later than 4:30 p.m.] on
- 4 the twentieth calendar day after a primary or initial special
- 5 election. The report shall include the following information
- 6 which shall be current through the day of the primary election:
- 7 (1) A statement of the total contributions and campaign receipts received;
 - (2) The amount and date of deposit of each contribution and the name and address of each donor who contributes an aggregate of more than \$100 during an election period, which has not previously been reported; provided that if all the information is not on file, the contribution shall be returned to the donor within thirty days of deposit;
 - (3) The amount and date of deposit of each contribution and the name, address, employer, and occupation of each donor who contributes an aggregate of \$1,000 or more during an election period, which has not previously been reported; provided that if all the information is not on file, the contribution shall be returned to the donor within thirty days of deposit;

1	(4)	A statement of all expenditures made, incurred, or
2		authorized by or for a candidate including the name
3		and address of each payee and the amount, date, and
4		purpose of each expenditure; and
5	(5)	The cash balance and a statement of surplus or
6		deficit."
7	2.	By amending subsection (b) to read:
8	"(b)	Each noncandidate committee shall file a final
9	primary r	eport, certified pursuant to section 11-195, [with the
10	commissio	n on forms provided by the commission no later than
11	4:30 p.m.] on the twentieth calendar day after a primary
12	election.	The report shall include the following information,
13	which sha	11 be current through the day of the primary election:
14	(1)	A statement of the total contributions and campaign
15		receipts received;
16	(2)	The amount and date of deposit of each contribution
17		and the name, address, employer, and occupation of
18		each donor who contributes an aggregate of more than

(3) The amount and date of each disbursement or contribution made to a candidate, party, organization,

\$100 during an election, which has not previously been



reported;

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1	or committee, including the name and address of each
2	payee, which has not previously been reported;
3	(4) The amount and date of each expenditure made or
4	incurred by the committee for or against any
5	candidate, ballot issue, or on behalf of another
6	committee, which has not previously been reported; and
7	(5) A current statement of the balance on hand."
8	3. By amending subsection (d) to read:
9	"(d) General, special general, special election or
10	election period. Each candidate, authorized person in the case
11	of a party, or campaign treasurer in the case of a committee
12	shall file a final election period [general] report with the
13	commission on forms provided by the commission [no later than
14	4:30 p.m.] on the thirtieth calendar day after a general,
15	special general, or special election. The final election period
16	report shall be certified pursuant to section 11-195, shall
17	report all items prescribed in subsection (a) or (b) for
18	noncandidate committees, and shall be current through the day of
19	the general election. A candidate who is unsuccessful in a
20	primary or special primary election shall file a final election
21	period report."

4. By amending subsection (f) to read:



1	"(f)	Deficit. In the event of a deficit the candidate,
2	authorize	ed person in the case of a party, or campaign treasurer
3	in the ca	se of a committee shall, every six months until the
4	deficit i	s eliminated, file supplemental reports covering all
5	items pre	scribed in subsection (a) or subsection (b) in the case
6	of noncan	didate committees. The first report shall be due no
7	later tha	n [4:30 p.m. on] the thirty-first day after the last
8	day of th	e election year."
9	5.	By amending subsection (g) to read:
10	" (g)	Surplus. In the event of a surplus the candidate,
11	authorize	d person in the case of a party, or campaign treasurer
12	in the ca	se of a committee, shall:
13	(1)	Maintain the cash surplus in a financial depository;
14		and
15	(2)	Every six months, until the candidate files to be on
16		the ballot with the state office of elections, or in
17		the case of a party or committee until they
18		participate in an election again, file supplemental
19		reports detailing all items prescribed in subsection
20		(a) or in the case of a noncandidate committee until

they participate in an election again, or file

- supplemental reports detailing all items prescribed in
 subsection (b).
- 3 The first report shall be due not later than [4:30 p.m. on]
- 4 the thirty-first calendar day after the last day of the election
- 5 year."
- 6 PART III.
- 7 SECTION 33. Nothing in this Act shall affect the outcome
- 8 of the case of Charmaine Tavares Campaign v. Barbara U. Wong, et
- 9 al., Civil No. 06-1-0430, Circuit Court of the Second Circuit,
- 10 or its appeal.
- 11 SECTION 34. Statutory material to be repealed is bracketed
- 12 and stricken. New statutory material is underscored.
- 13 SECTION 35. If any provision of this Act or the
- 14 application thereof to any person or circumstance is held
- 15 invalid, the invalidity does not affect other provisions or
- 16 applications of the Act, which can be given effect without the
- 17 invalid provision or application, and to this end the provisions
- 18 of this Act are severable.
- 19 SECTION 36. Part I of this Act shall take effect on
- 20 July 1, 2008, and shall be applicable beginning with the general
- 21 election year of 2010. This part and part II shall take effect

- 1 upon their approval; provided that section 27 shall take effect
- **2** on November 5, 2008.

Report Title:

Campaign Spending; Public Funding

Description:

Creates a pilot comprehensive public funding program for elections to the Hawaii county council in 2010, 2012, and 2014. Establishes qualifications, limitations on funding and use of funds, and reporting requirements. Clarifies that "ordinary and customary" expenditures are allowable under campaign spending law; clarifies what constitutes a "loan" for purposes of the campaign contribution; clarifies campaign spending law relating to electronic filing of reports; clarifies that campaign spending commission shall not issue rules through an advisory opinion; clarifies that in the case of a corporation or company using funds from its own treasury, there shall be a limit of \$25,000 to its own noncandidate committee; clarifies who is subject to administrative fines for violations relating to campaign contributions and expenditures; doubles the amount a candidate can transfer from campaign or surplus funds to a community or charitable organization. (SD3)