

Honolulu, Hawaii  
February 14, 2014

RE: H.B. No. 2533  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 2533 entitled:

"A BILL FOR AN ACT RELATING TO CAMPAIGN FINANCE,"

begs leave to report as follows:

The purpose of this measure, as received by your Committee, is to encourage fair elections by:

- (1) Establishing a comprehensive public funding program for candidates to the state House of Representatives; and
- (2) Repealing provisions under the existing partial public financing program applicable to candidates for governor, lieutenant governor, state senator, and state representative pertaining to campaign expenditure limits, maximum amount of public funding, and minimum amounts of qualifying contributions.

For the purposes of a public hearing, your Committee circulated a Proposed H.B. No. 2533, H.D. 1 (Proposed Draft), and notified the public it would be accepting testimony on the Proposed Draft, which among other things:

- (1) Adds definitions for "certified candidate's committee", "contested election", and "qualifying period";



- (2) Clarifies that the filing of a candidate's declaration of intent triggers the candidate's ability to begin raising and spending seed money contributions;
- (3) Deletes the definitions of "general election campaign period", and "primary election campaign period";
- (4) Specifies that all 200 qualifying signatures must be accompanied by a \$5 contribution;
- (5) Clarifies that qualifying contributions are those made to a candidate, or the candidate's committee, who has filed a declaration of intent to seek public funding and may be collected by candidates in cash, in addition to check or money order, provided that they are accompanied by the contributor's identifying information and affirmation certifying the funds were the contributor's own, were not given in exchange for anything of value, and that violations of public funding law may result in administrative or criminal proceedings;
- (6) Clarifies that no qualifying name or contribution may be collected by a person paid by the candidate or employed by a political party to solicit qualifying names;
- (7) Amends the date by which a candidate must file a declaration of intent to seek public funding to July 1 of the year prior to the election year, and December 31 in the year prior to the general election year;
- (8) Requires the candidate to file an application for certification for public funding with the Campaign Spending Commission by December 31 of the year prior to the general election;
- (9) Specifies that all candidates and candidates' committees shall comply with the registration, reporting, contribution, expenditure, and disclosure requirements of Hawaii Campaign Spending laws;
- (10) Clarifies seed money contribution requirements by:
  - (A) Removing the requirement that a candidate have received an unspecified amount in seed money to be eligible to receive public funds;



- (B) Removing the limitation of \$250 on aggregate individual contributions for seed money contributions;
  - (C) Providing that seed money contributions in excess of \$3,000 shall be deducted from the amount of public funding dispersed to a candidate, unless that money is donated to the Hawaii Election Campaign Fund; and
  - (D) Providing that a candidate may not expend seed money after the candidate has been certified;
- (11) Authorizes the Campaign Spending Commission to retain all qualifying contributions above the minimum qualifying amount;
  - (12) Requires that a candidate have submitted proof of filing nomination papers before public funds are dispersed from the Hawaii Election Campaign Fund;
  - (13) Permits qualifying candidates to raise and expend supplemental contributions, limited to contributions from individuals in the district up to a maximum of \$50 per contributor;
  - (14) Removes the requirement for a seed money report 20 days before the primary election;
  - (15) Permits candidates to carry over and expend surplus campaign funds of up to \$4,000 for in office communications, and allowing candidates to raise the balance where the amount falls below;
  - (16) Changes the date after which a candidate may begin to accept private funds excluded by this measure;
  - (17) Clarifies that supplemental contributions and surplus campaign fund contributions are subject to the deposit and access requirements of public funds;
  - (18) Provides that any candidate or candidate committee will lose certification, and be subject to administrative or criminal sanction for misrepresenting material facts to the Campaign Spending Commission to receive public funding;



- (19) Requires the Campaign Spending Commission to determine the sufficiency of the Hawaii Election Campaign Fund on July 1 of each odd-numbered year before a general election year;
- (20) Requires an additional report from the Campaign Spending Commission in 2015;
- (21) Deletes blank appropriations, and instead authorizes the Campaign Spending Commission to expend Hawaii Election Campaign Fund monies for the implementation of the public financing program; and
- (22) Changes the effective date to July 1, 2015, but provides that the reporting and money authorizations will commence on July 1, 2014.

The Open Law Alliance; Voter Owned Hawaii; Americans for Democratic Action, Hawaii; and a large number of concerned individuals testified in support of this measure as received by your Committee. The League of Women Voters of Hawaii provided comments on the bill as received by your Committee.

The Sierra Club of Hawaii, Common Cause Hawaii, and one concerned individual testified in support of the Proposed Draft. The Campaign Finance Committee provided comments on the Proposed Draft.

Your Committee considered the merits of both H.B. No. 2533, H.D. 1, as received by your Committee, and the Proposed Draft, and upon careful consideration, adopted the Proposed Draft with the following amendments:

- (1) Makes explicit that all campaign finance rules apply to candidates operating under this program, including to seed money contributions, by creating a new section for such requirements;
- (2) Requires Campaign Spending Commission to provide public notice when there is insufficient funding to run the program, in addition to notice when there is enough funding to run the program; and
- (3) Makes technical, nonsubstantive amendments for clarity, consistency, and style.



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 H.B. No. 2533, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2533, H.D. 1, and be referred to the Committee on Finance.

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



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KARL RHOADS, Chair



