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## A BILL FOR AN ACT

RELATING TO CAMPAIGN FINANCE.

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

1           SECTION 1. Chapter 11, Hawaii Revised Statutes, is amended  
2 as follows:

3           1. By adding a new section to subpart A of part XIII to be  
4 appropriately designated and to read as follows:

5           "§11-A Mandatory campaign finance training course. (a)

6 All candidates shall complete a campaign finance training course  
7 administered by the commission as provided in this section.

8           (b) The commission shall establish and administer a  
9 campaign finance training course for candidates. The training  
10 course shall explain and discuss this part, including:

11           (1) Specific technical and legal requirements;

12           (2) The underlying purposes and principles of the laws;

13           (3) Examples of practical application of the laws and

14 principles, including suggested accounting methods for  
15 reports and records required by this part; and

16           (4) A question-and-answer participatory segment regarding  
17 common problems and situations.



1        (c) The commission shall:

2        (1) Develop the methods and prepare any materials  
3        necessary to implement the training course;

4        (2) Designate staff to conduct the training course; and

5        (3) Notify each candidate that their attendance in the  
6        training course is mandatory.

7        (d) The training course shall be conducted in each  
8        election year during the thirty-day period immediately following  
9        the deadline for the certified list of candidates under section  
10       12-9. During the thirty-day period, the commission shall offer  
11       multiple sessions of the training course as necessary to  
12       accommodate all candidates.

13       (e) The chief election officer and the clerk of each  
14       county shall:

15       (1) Provide to the commission in a timely manner the names  
16       of all candidates required to attend the training  
17       course; and

18       (2) Assist the commission by providing adequate meeting  
19       facilities for the training course as necessary."

20       2. By adding two new sections to subpart D of part XIII to  
21       be appropriately designated and to read as follows:



1        "§11-B Corrected reports initiated by filer; safe harbor.

2        (a) Except in the case of corrected reports initiated by the  
3        commission pursuant to section 11-340(d) and (e), a person  
4        required to file a report under this part may file a corrected  
5        report with the commission at any time.

6        (b) No person who files a corrected report pursuant to  
7        this section prior to the commencement of any proceedings  
8        pertaining to a defect or deficiency in the original report  
9        shall be subject to any penalty under section 11-340 or 11-410  
10       or prosecution under section 11-412 in connection with the  
11       original report.

12       §11-C Electronic filing errors; deferral of penalties to  
13       accommodate remediation. (a) Notwithstanding any provision of  
14       this part to the contrary, if:

15       (1) A person required to file a report under this part  
16       attempts in good faith to file a report with the  
17       commission's electronic filing system pursuant to  
18       section 11-331;

19       (2) The information from the attempted report under  
20       paragraph (1) is timely entered into and retained by  
21       the electronic filing system and constitutes all of



1           the information required to be included in the report;

2           and

3           (3) Due to a procedural defect or other error in the use

4           of the electronic filing system by the person

5           attempting to file the report, the commission

6           determines that the person has failed to timely file

7           the report or has filed a substantially defective or

8           deficient report in violation of this subpart,

9           the person attempting to file the report shall not be subject to

10          any penalty under section 11-340 or 11-410 or prosecution under

11          section 11-412 except as provided in subsection (c).

12          (b) Upon the determination of a violation as described in

13          subsection (a) (3), the commission, by first class mail, shall

14          provide written notice of the following to the person attempting

15          to file the report:

16          (1) An explanation of the commission's determination that

17          the person has violated this part;

18          (2) Clear instructions for the person to remediate the

19          violation; and



1       (3) That the person may be assessed a fine unless the  
2            person remediates the violation by the fourteenth day  
3            following the date on which the notice was mailed.

4        (c) If the person attempting to file a report as described  
5        in subsection (a) fails to remediate the violation by the  
6        fourteenth day following the date on which the notice in  
7        subsection (b) was mailed, the person shall thereafter be  
8        subject to penalty under section 11-340 or 11-410 or prosecution  
9        under section 11-412 for the violation; provided that:

10       (1) For the purposes of the assessment of fines under  
11        section 11-340(e), every reference to a notice therein  
12        shall be construed as a reference to the notice under  
13        subsection (b);

14       (2) For candidates participating in no more than the  
15        candidate's second election in which the candidate is  
16        subject to the requirements of this part, no portion  
17        of any fine imposed as authorized by this subsection  
18        shall be payable from the candidate's personal funds."

19        SECTION 2. Section 11-340, Hawaii Revised Statutes, is  
20        amended as follows:

21        1. By amending subsection (a) to read:



1           "(a) True and accurate reports shall be filed with the  
2 commission on or before the due dates specified in this part.  
3 [The] Subject to section 11-C, the commission, in accordance  
4 with this section, may assess a fine against a person that is  
5 required to file a report under this part if the report is not  
6 filed by the due date or if the report is substantially  
7 defective or deficient, as determined by the commission."

8           2. By amending subsection (d) to read:

9           "(d) If the commission determines that a report is  
10 substantially defective or deficient, the commission shall  
11 notify the candidate committee by first class mail that:

12           (1) The report is substantially defective or deficient;  
13           and

14           (2) A fine may be assessed[-];  
15 provided that the issuance of any notice in accordance with  
16 section 11-C(b) shall constitute fulfillment of the requirements  
17 of this subsection."

18           SECTION 3. Section 11-410, Hawaii Revised Statutes, is  
19 amended as follows:

20           1. By amending subsection (a) to read:



1        "(a) [The] Subject to section 11-C, the commission may  
2 make a decision or issue an order affecting any person violating  
3 any provision of this part or section 281-22 that may provide  
4 for the assessment of an administrative fine as follows:

5            (1) If an individual, an amount not to exceed \$1,000 for  
6 each occurrence or an amount equivalent to three times  
7 the amount of an unlawful contribution or expenditure;  
8 or

9            (2) If a corporation, organization, association, or labor  
10 union, an amount not to exceed \$1,000 for each  
11 occurrence;

12 provided that whenever a corporation, organization, association,  
13 or labor union violates this part, the violation may be deemed  
14 to be also that of the individual directors, officers, or agents  
15 of the corporation, organization, association, or labor union,  
16 who have knowingly authorized, ordered, or done any of the acts  
17 constituting the violation."

18            2. By amending subsection (c) to read:

19            "(c) [If] Except as otherwise provided in section 11-  
20 C(c) (2), if an administrative fine is imposed upon a candidate,



1 the commission may order that the fine, or any portion, be paid  
2 from the candidate's personal funds."

3 SECTION 4. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$ or so  
5 much thereof as may be necessary for fiscal year 2015-2016 and  
6 the same sum or so much thereof as may be necessary for fiscal  
7 year 2016-2017 for the campaign spending commission to establish  
8 permanent full-time equivalent ( FTE) positions  
9 to administer the campaign finance training course required  
10 under section 1 of this Act.

11 The sums appropriated shall be expended by the department  
12 of accounting and general services for the purposes of this Act.

13 SECTION 5. In codifying the new sections added by section  
14 1 of this Act, the revisor of statutes shall substitute  
15 appropriate section numbers for the letters used in designating  
16 the new sections in this Act.

17 SECTION 6. New statutory material is underscored.

18 SECTION 7. This Act shall take effect on July 1, 2015.

19

INTRODUCED BY: Richard Craig  
JAN 29 2015





# H.B. NO. 1418

**Report Title:**

Campaign Finance; Mandatory Training; Corrected Reports;  
Electronic Filing Errors; Appropriation

**Description:**

Requires all election candidates to attend a campaign finance training course administered by the Campaign Spending Commission. Appropriates funds for staff to administer the training course. Provides safe harbor for corrected campaign finance reports initiated by the filer. Establishes a separate process allowing campaign spending filers who violate reporting requirements due to an electronic filing error to receive a warning notice and an opportunity to remediate the violation before any penalties may be imposed.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

