
A BILL FOR AN ACT

RELATING TO CAMPAIGN FINANCE.

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

1 SECTION 1. The legislature finds that the strength of
2 Hawaii's democracy depends on the power of the voters. This
3 power is threatened by the increasing influence in politics of
4 concentrated money and disproportionately large contributions
5 from certain few donors. The purpose of this Act is to reform
6 Hawaii's campaign finance laws to restore power to individual
7 voters in the election process.

8 Hawaii's campaign finance laws already require disclosure
9 of the source of campaign contributions. However, the
10 legislature finds that transparency and disclosure alone are not
11 sufficient to curtail the influence of money in the campaign and
12 election process. In their 2002 book, *Voting With Dollars*, Yale
13 law professors Bruce Ackerman and Ian Ayers propose a series of
14 reforms to campaign finance laws that include distributing
15 publicly-funded contribution credits to all voters and
16 requirements for anonymity for all other campaign contributions.



1 The legislature finds that anonymity in campaign
2 contributions may be a more effective means of curtailing the
3 disproportionate influence of large campaign contributions on
4 elections and governance. To accomplish this, this Act:

5 (1) Requires that all campaign donations be processed
6 through the campaign spending commission so that the
7 identity of donors remains unknown to candidates; and

8 (2) Establishes a pilot project in the office of elections
9 to distribute publicly funded voter voucher credits to
10 all registered voters for allocation to the candidate
11 of the voter's choice.

12 SECTION 2. Chapter 11, Hawaii Revised Statutes, is amended
13 by adding a new section to be appropriately designated and to
14 read as follows:

15 "§11- Anonymous contributions. (a) All campaign
16 contributions shall be made anonymously as follows:

17 (1) The donor making the campaign contribution shall
18 select the amount being contributed and the name of
19 the candidate, candidate committee, or noncandidate
20 committee for whom the campaign contribution is being
21 made on a form prescribed by the commission;



1 (2) All campaign contributions shall be deposited directly
2 to the Hawaii election campaign fund; and

3 (3) The commission shall disburse campaign contributions
4 as specified by the donors without disclosing the
5 identities of the donors making the campaign
6 contribution.

7 (b) As used in this section:

8 "Campaign contribution" means a contribution to a
9 candidate, candidate committee, or noncandidate committee.

10 "Donor" means a person making a campaign contribution."

11 SECTION 3. Section 11-421, Hawaii Revised Statutes, is
12 amended by amending subsection (b) to read as follows:

13 "(b) The fund shall consist of:

14 (1) All moneys collected from persons who have designated
15 a portion of their income tax liability to the fund as
16 provided in section 235-102.5(a);

17 (2) Any general fund appropriations; ~~and~~

18 (3) Campaign contributions made pursuant to section 11-
19 _____ ; and

20 ~~[(3)]~~ (4) Other moneys collected pursuant to this part."



1 SECTION 4. Section 11-351, Hawaii Revised Statutes, is
2 repealed.

3 ~~["**§11-351 Contributions, generally.** (a) Monetary~~
4 ~~contributions and other campaign funds shall be promptly~~
5 ~~deposited in a depository institution, as defined by section~~
6 ~~412:1-109, duly authorized to do business in the State,~~
7 ~~including a bank, savings bank, savings and loan association,~~
8 ~~depository financial services loan company, credit union, intra-~~
9 ~~Pacific bank, or similar financial institution, the deposits or~~
10 ~~accounts of which are insured by the Federal Deposit Insurance~~
11 ~~Corporation or the National Credit Union Administration in the~~
12 ~~name of the candidate, candidate committee, or noncandidate~~
13 ~~committee, whichever is applicable.~~

14 ~~(b) A candidate, candidate committee, or noncandidate~~
15 ~~committee, shall not accept a contribution of more than \$100 in~~
16 ~~cash from a single person without issuing a receipt to the~~
17 ~~contributor and keeping a record of the contribution.~~

18 ~~(c) Each candidate committee or noncandidate committee~~
19 ~~shall disclose the original source of all earmarked funds, the~~
20 ~~ultimate recipient of the earmarked funds, and the fact that the~~
21 ~~funds are earmarked."]~~



1 SECTION 5. Section 11-353, Hawaii Revised Statutes, is
2 repealed.

3 ["~~§11-353~~ ~~Anonymous contributions prohibited.~~ (a)
4 ~~Except as provided in subsection (d), no person shall make an~~
5 ~~anonymous contribution to any candidate, candidate committee, or~~
6 ~~noncandidate committee.~~

7 ~~(b) A candidate, candidate committee, or noncandidate~~
8 ~~committee shall not knowingly receive, accept, or retain an~~
9 ~~anonymous contribution, or report such contribution as an~~
10 ~~anonymous contribution, except as provided in this section.~~

11 ~~(c) An anonymous contribution shall not be used or~~
12 ~~expended by the candidate, candidate committee, or noncandidate~~
13 ~~committee, but shall be returned to the contributor. If the~~
14 ~~contributor cannot be identified, the contribution shall escheat~~
15 ~~to the Hawaii election campaign fund.~~

16 ~~(d) This section shall not apply to amounts that aggregate~~
17 ~~to less than \$500 that are received from ten or more persons at~~
18 ~~the same political function. The receipt of these contributions~~
19 ~~shall be disclosed in a report filed pursuant to sections 11-333~~
20 ~~and 11-335."]~~



1 SECTION 6. (a) Notwithstanding any law to the contrary,
2 the office of elections shall establish a voter voucher pilot
3 program within the office of elections in which a candidate may
4 supplement the funding available to the candidate under part
5 XIII, subpart J of chapter 11, Hawaii Revised Statutes, with
6 voter voucher credits. The pilot program shall enable a
7 candidate running for office in the house of representatives to
8 obtain voter voucher credits from registered voters in the
9 candidate's district during the 2016 primary election period and
10 the 2016 general election period.

11 (b) A candidate who participates in the voter voucher
12 pilot program may solicit voter voucher credits from registered
13 voters in the candidate's district; provided that:

- 14 (1) No payment or anything of value shall be given to a
15 voter in exchange for a voter voucher credit;
- 16 (2) Persons soliciting voter voucher credits shall not be
17 paid or compensated on a per-voucher basis;
- 18 (3) Voter voucher credits shall not be issued to a
19 candidate by the candidate or the candidate's family
20 members;



1 (4) The candidate provides a voter voucher receipt that
2 conforms with the requirements of subsection (f) to
3 each voter who allocates a voter voucher credit to the
4 candidate;

5 (5) The candidate shall provide a voter voucher form, as
6 prescribed by the office of elections to each voter
7 from whom a voucher is solicited; and

8 (6) The solicitor shall sign each returned voter voucher
9 form, thereby attesting under penalty of perjury that
10 the voucher was solicited pursuant to the requirements
11 of this Act.

12 Any person who solicits voter voucher credits from
13 registered voters shall be registered to vote in the State.
14 Nothing in this subsection shall preclude a paid campaign
15 employee from collecting voter voucher credit forms; provided
16 that the employee is not paid based on the number of vouchers
17 collected.

18 (c) A registered voter may allocate one voter voucher
19 credit per office or seat for which the voter is eligible to
20 vote in the general election and in a primary election. Each
21 voucher shall be allocated to a single candidate and shall not



1 be divided among multiple candidates. No person shall be
2 required to allocate any voter voucher credits in any primary
3 election or general election.

4 (d) The candidate shall submit all allocated voter voucher
5 forms to the office of elections, which shall verify the
6 information submitted to it and calculate the candidate's total
7 voter voucher credit. Any voter voucher form submitted without
8 the solicitor's signature shall be disqualified. Upon
9 verification of the information provided to it, the office of
10 elections shall provide the voucher money to the candidate. If
11 the office of elections determines that funds for the voter
12 voucher pilot program are insufficient, the office may reduce
13 the maximum funds available to candidates.

14 (e) Voter voucher credits under this Act shall be in
15 addition and supplemental to the voluntary expenditure limits
16 under sections 11-423 and 11-428, Hawaii Revised Statutes; the
17 maximum amount of public funds available to candidates under
18 section 11-425, Hawaii Revised Statutes; and the minimum
19 qualifying contribution amounts under section 11-429, Hawaii
20 Revised Statutes. Each voter voucher credit shall increase the
21 candidate's expenditure limit and public funds received by \$5,



1 respectively, and shall be counted as a \$5 credit toward the
2 candidate's minimum qualifying contribution amount.

3 (f) Voter voucher receipts provided to voters by
4 candidates shall be in a form prescribed by the office of
5 elections and shall indicate that the voter shall not allocate
6 more than one voter voucher credit per participating candidate
7 for each office or seat for which the voter is eligible to vote.

8 (g) At the end of any primary or general election to which
9 a voucher applies, any unspent voucher credits shall expire and
10 shall not be applied to any other election.

11 (h) Information regarding the voucher allocation of any
12 voter shall be confidential and shall not be disclosed.

13 (i) The office of elections shall submit the following
14 reports, including its findings and recommendations, to the
15 legislature:

16 (1) An initial report no later than twenty days prior to
17 the convening of the regular session of 2016, on its
18 progress to implement the state elections campaign
19 voucher pilot program established pursuant to this
20 Act; and



1 (2) A final report no later than twenty days prior to the
2 convening of the regular session of 2017, on the
3 operations and effectiveness of the pilot program.

4 (j) The voucher credits under this Act shall be available
5 to candidates running for seats in the house of representatives
6 in the 2016 primary and general elections.

7 (k) Except as provided in subsection (e), the solicitation
8 of voucher credits and the reporting and expenditure of voucher
9 funds shall be subject to part XIII of chapter 11, Hawaii
10 Revised Statutes. Any person who violates this Act shall be
11 subject to the penalties provided under subpart I of part XIII
12 of chapter 11, Hawaii Revised Statutes.

13 (l) The office of elections shall adopt rules to implement
14 this section.

15 (m) For purposes of this section:

16 "Candidate" shall be as defined in section 11-191, Hawaii
17 Revised Statutes.

18 "General election period" means the period beginning on the
19 day after the primary election and ending on the day of the
20 general election.



1 "Primary election period" means the period beginning on the
2 first day that nomination papers are made available pursuant to
3 section 12-2.5, Hawaii Revised Statutes, and ending on the day
4 of the primary election.

5 SECTION 7. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so
7 much thereof as may be necessary for fiscal year 2015-2016 and
8 the same sum or so much thereof as may be necessary for fiscal
9 year 2016-2017 to implement this Act.

10 The sums appropriated shall be expended by the office of
11 elections for the purposes of this Act.

12 SECTION 8. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 9. This Act shall take effect on July 1, 2015;
15 provided that section 6 shall be repealed on June 30, 2017.

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H.B. NO. 1476

Report Title:

Campaign Finance; Elections

Description:

Requires the Campaign Spending Commission to process all campaign donations so as to shield the identity of donors from candidates. Creates a publicly funded voter voucher pilot program in the Office of Elections.

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