
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 State's public
2 campaign funding program that was established after the 1978
3 constitutional convention has not adequately served its purpose,
4 which was to establish a large neutral fund that political
5 candidates could use as an alternative to receiving campaign
6 contributions. Time has shown that the amount of money
7 available to candidates and the process of obtaining the money
8 have undermined the stated goals of the public funding program.

9 The purpose of this Act is to address the foregoing
10 problems. More specifically, this Act:

- 11 (1) Allows taxpayers to make contributions of up to \$20 to
12 the Hawaii election campaign fund on their tax
13 returns;
- 14 (2) Raises the limit on the amount of money that certain
15 candidates may spend;
- 16 (3) Increases the maximum amount of public funds available
17 to certain candidates;



1 (4) Requires candidates and candidate committees to agree
2 to accept campaign contributions only from natural
3 persons and sole proprietorships to be eligible to
4 receive public funds;

5 (5) Increases the maximum threshold for qualified
6 contributions from any person from \$100 to \$200 or
7 less;

8 (6) Amends the dollar-for-dollar public fund match that
9 qualified candidates are eligible to receive to a
10 match of \$3 for each \$1 that a candidate receives from
11 qualified contributions; and

12 (7) Addresses the problem of a candidate being unable to
13 receive public funds during the primary election
14 period when the candidate has no election opponent.

15 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
16 amended by adding a new section to be appropriately designated
17 and to read as follows:

18 "§235- Voluntary contributions to the Hawaii election
19 campaign fund authorized. (a) The department of taxation shall
20 include a line item on state income tax forms that allows an
21 individual, trust, partnership, or corporation to make a



1 voluntary contribution of no more than \$20 to the Hawaii
2 election campaign fund.

3 (b) The line item shall appear after the final line for
4 the calculation of the amount of the tax due or the amount to be
5 refunded, accompanied by an explanation that the amount of a
6 voluntary contribution shall be added to the amount of the tax
7 owed or subtracted from the amount to be refunded; provided that
8 if the amount of the voluntary contribution exceeds the amount
9 to be refunded, the taxpayer shall pay to the State the amount
10 by which the voluntary contribution exceeds the tax owed.

11 (c) The department of taxation shall remit to the Hawaii
12 election campaign fund any voluntary contribution made pursuant
13 to this section."

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

16 "(b) The fund shall consist of:

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



1 (2) All moneys collected from persons who have made a
2 voluntary contribution to the fund under section 235-
3 i

4 [~~2~~] (3) Any general fund appropriations; and

5 [~~3~~] (4) Other moneys collected pursuant to this part."

6 SECTION 4. Section 11-423, Hawaii Revised Statutes, is
7 amended by amending subsection (d) to read as follows:

8 "(d) From January 1 of the year of any primary, special,
9 or general election, the aggregate expenditures for each
10 election by a candidate who voluntarily agrees to limit campaign
11 expenditures, inclusive of all expenditures made or authorized
12 by the candidate alone, all treasurers, the candidate committee,
13 and noncandidate committees on the candidate's behalf, shall not
14 exceed the following amounts expressed, respectively multiplied
15 by the number of voters in the last preceding general election
16 registered to vote in each respective voting district:

17 (1) For the office of governor - \$2.50;

18 (2) For the office of lieutenant governor - \$1.40;

19 (3) For the office of mayor - \$2.00;



1 (4) For the offices of state senator, state
2 representative, county council member, and prosecuting
3 attorney - [~~\$1.40,~~] \$2.10; and

4 (5) For all other offices - 20 cents."

5 SECTION 5. Section 11-425, Hawaii Revised Statutes, is
6 amended by amending subsections (a) and (b) to read as follows:

7 "(a) The maximum amount of public funds available in each
8 election to a candidate for the office of governor, lieutenant
9 governor, or mayor shall not exceed [~~ten~~] twenty per cent of the
10 expenditure limit established in section 11-423(d) for each
11 election.

12 (b) The maximum amount of public funds available in each
13 election to a candidate for the office of state senator, state
14 representative, county council member, and prosecuting attorney
15 shall not exceed [~~fifteen~~] sixteen per cent of the expenditure
16 limit established in section 11-423(d) for each election."

17 SECTION 6. Section 11-428, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "~~[+] §11-428 [.]~~ **Eligibility requirements for public funds.**

20 In order to be eligible to receive public funds for an election,



1 a candidate shall certify that the candidate will meet all the
2 following requirements:

- 3 (1) The candidate and any candidate committee authorized
4 by the candidate shall not incur campaign expenses in
5 excess of the expenditure limitations imposed by
6 section 11-423;
- 7 (2) The candidate has qualified to be on the election
8 ballot in a primary or general election;
- 9 (3) The candidate has filed a statement of intent to seek
10 qualifying contributions. A contribution received
11 before the filing of a statement of intent to seek
12 public funds shall not be considered a qualifying
13 contribution;
- 14 (4) The candidate or candidate committee authorized by the
15 candidate has received the minimum qualifying
16 contribution amounts for the office sought by the
17 candidate as set forth in section 11-429;
- 18 (5) The aggregate of contributions certified with respect
19 to any person [~~under paragraph (4)~~] does not exceed
20 [~~\$100~~] \$200;



- 1 (6) The candidate agrees to obtain and furnish any
2 evidence relating to expenditures that the commission
3 may request;
- 4 (7) The candidate agrees to keep and furnish records,
5 books, and other information that the commission may
6 request;
- 7 (8) The candidate agrees to an audit and examination by
8 the commission pursuant to section 11-434 and to pay
9 any amounts required to be paid pursuant to that
10 section; ~~and~~
- 11 (9) Each candidate and candidate committee in receipt of
12 qualifying contributions that may be taken into
13 account for purposes of public funding shall maintain,
14 on a form prescribed by the commission, records that
15 show the date and amount of each qualifying
16 contribution and the full name and mailing address of
17 the person making the contribution. The candidate and
18 the candidate committee authorized by the candidate
19 shall transmit to the commission all reports with
20 respect to these contributions that the commission may
21 require ~~[]~~; and



- 1 (10) The candidate and the candidate committee agree to:
- 2 (A) Accept campaign contributions only from natural
- 3 persons and sole proprietorships; and
- 4 (B) Return any other contribution to the contributor
- 5 within twenty days of receipt of the
- 6 contribution."

7 SECTION 7. Section 11-429, Hawaii Revised Statutes, is
 8 amended by amending subsection (b) to read as follows:

9 "(b) A candidate shall obtain the minimum qualifying
 10 contribution amount set forth in subsection (a) once for the
 11 election period.

12 (1) If the candidate obtains the minimum qualifying
 13 contribution amount, the candidate is eligible to
 14 receive:

- 15 (A) The minimum payment in an amount equal to the
- 16 minimum qualifying contribution amounts; and
- 17 (B) Payments of [~~\$1~~] \$3 for each \$1 of qualifying
- 18 contributions in excess of the minimum qualifying
- 19 contribution amounts; and

20 (2) [~~A candidate~~] There shall [~~have~~] be at least [~~one~~
 21 ~~other~~] two qualified [~~candidate as an opponent for the~~

1 ~~primary or general election to receive~~ candidates for
2 the same elected office during an election cycle
3 before a candidate may receive public funds for that
4 election[~~+~~] cycle."

5 SECTION 8. This Act does not affect rights and duties that
6 matured, penalties that were incurred, and proceedings that were
7 begun before its effective date.

8 SECTION 9. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 10. This Act shall take effect upon its approval;
11 provided that sections 2 and 3 shall apply to taxable years
12 beginning after December 31, 2019.



Report Title:

Campaign Finance; Income Tax; Public Funding

Description:

Allows a taxpayer to indicate on an income tax form a contribution to the Hawaii election campaign fund of up to \$20. Amends provisions relating to the ability of publicly-funded candidates to receive and expend campaign funds. (HB1514 HD1)

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

