
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
2 constitution requires the State to establish partial public
3 financing of campaigns for public offices of the State and its
4 political subdivisions. Candidate public financing programs are
5 voluntary programs in which public funds are provided to
6 candidates who agree to limit their campaign spending. The
7 primary purpose of these types of programs is to reduce the role
8 of large amounts of private money raised in political campaigns
9 and the obligations that are or can appear to be associated with
10 these contributions. With the influence of dark money on
11 political campaigns, the role of public financing becomes more
12 crucial than ever.

13 Hawaii established a partial public funding program to
14 allow candidates running for elective office to run a
15 competitive campaign by awarding moneys from the State. To
16 qualify for partial public financing, a candidate is required to
17 raise a set minimal amount, which the State will match. The



1 legislature believes that expanding the current program will
2 allow a wider breadth of candidates to run for office and will
3 dampen the influence or perceived influence of private money on
4 political campaigns.

5 Accordingly, the purpose of this Act is to increase
6 campaign financing opportunities for candidates running for a
7 county office.

8 SECTION 2. Chapter 11, part XIII, Hawaii Revised Statutes,
9 is amended by adding a new subpart to be appropriately
10 designated and to read as follows:

11 " . **Comprehensive Public Funding for County Elections**

12 §11-A **Definitions.** When used in this subpart, unless the
13 context clearly requires otherwise:

14 "Candidate" means an individual who seeks nomination for
15 election or seeks election for a county office.

16 "Candidate's committee" means a candidate committee, as
17 defined in section 11-302, that makes an expenditure or accepts
18 a contribution on behalf of a candidate for nomination for
19 election or election to a county elected position, with the
20 candidate's authorization.



1 "Certification for public funding" means the decision by
2 the commission that a candidate is certified to receive public
3 funding in accordance with this subpart.

4 "Certified candidate" or "publicly-funded candidate" means
5 a candidate who is certified by the commission as eligible for
6 public funding under this subpart and who agrees to abide by the
7 requirements of this subpart.

8 "Declaration of intent to seek public funding" means the
9 form completed by a candidate seeking public funding, the filing
10 of which triggers the candidate's ability to begin collecting
11 qualifying names and contributions.

12 "Excess expenditure" means the amount of public funds spent
13 or obligated to be spent by a publicly-funded candidate in
14 excess of one hundred per cent of the allocated funds for a
15 primary election, general election, or both.

16 "General election campaign period" means the period
17 beginning the day after the primary election and ending on
18 general election day.

19 "General election year" means the period commencing
20 January 1 of an even-numbered year in which a general election
21 is held and ending on the general election day.



1 "Primary election campaign period" means the period in a
2 general election year beginning with the certification for
3 public funding under this subpart and ending on the primary
4 election day.

5 "Public funding" or "public funds" means campaign funds
6 from the Hawaii election campaign fund under section 11-421,
7 received by a certified candidate pursuant to this subpart.

8 "Qualifying contribution" means a monetary contribution
9 made in the form of a check or a money order accompanied by a
10 signed receipt that confirms that the contributor purchased the
11 money order, payable to the Hawaii election campaign fund for
12 purposes of meeting the criteria of section 11-E.

13 "Seed money" means contributions made to a candidate by an
14 individual in accordance with section 11-D and expended for the
15 purpose of determining campaign viability.

16 "Surplus campaign funds" means any campaign contributions
17 not spent during a prior election period by a candidate who
18 previously sought nomination or election as a privately-funded
19 candidate.



1 **§11-B Applicability.** There is established a public
2 funding program under this subpart for all county elections
3 beginning with the 2022 elections.

4 **§11-C Qualifications for public funding for county**
5 **election candidates.** (a) A candidate may seek public funding
6 for the primary election campaign period if the candidate:

- 7 (1) Resides in the county from which election is sought as
8 of the date of the filing of nomination papers for the
9 primary election in the general election year in which
10 the candidate seeks to be nominated or elected;
- 11 (2) Is a registered voter in the county from which
12 election is sought;
- 13 (3) Files a declaration of intent to seek public funding
14 with the commission between December 1 of the year
15 prior to the general election year and thirty days
16 before the closing date to file nomination papers to
17 run for the office for which the candidate intends to
18 seek election;
- 19 (4) Collects qualifying names and contributions in
20 accordance with section 11-E;



1 (5) Accepts only the following contributions prior to
2 applying for certification as a publicly-funded
3 candidate:

4 (A) Seed money contributions until the candidate
5 files a declaration of intent to seek public
6 funding; and

7 (B) Qualifying contributions that may be accepted
8 only after filing the declaration of intent to
9 seek public funding; and

10 (6) Files an application for certification for public
11 funding with the commission.

12 (b) A candidate is qualified to seek public funding for
13 the general election campaign period if the candidate:

14 (1) Was certified as a publicly-funded candidate during
15 the primary election campaign period immediately
16 preceding the general election in which the funds
17 under this subpart are provided; and

18 (2) Received a sufficient number of votes to appear on the
19 ballot in the general election or is otherwise
20 certified by the county clerk to be placed on the
21 ballot in the general election.



1 §11-D Seed money contributions; limitations on use of seed
2 money; penalties. (a) The use of seed money shall be limited
3 to expenditures necessary to determine whether sufficient
4 support exists for a candidate to run for office as a publicly-
5 funded candidate; provided that no candidate shall be eligible
6 to receive public funds under this subpart unless the candidate
7 has received or expended at least \$ in seed money.

8 (b) The amount of seed money received, expended, or both,
9 by a candidate seeking eligibility for public funding for a
10 county elected seat shall not exceed \$3,000, which shall include
11 any personal funds, surplus campaign funds, or contributions
12 received from individuals in an aggregate amount no greater than
13 \$200 each that the candidate may choose to use.

14 (c) A candidate seeking eligibility for public funding
15 shall not accept contributions of seed money from any individual
16 whose contributions are prohibited under subpart E or for which
17 the information required to be reported pursuant to section 11-
18 I(h) is not available. The candidate or candidate's committee
19 shall record all information required for reporting under
20 section 11-I(h). All contributors whose seed money has been
21 accepted shall be issued a receipt by the candidate.



1 (d) Seed money shall not be collected after the candidate
2 has filed the declaration of intent to seek public funding,
3 which shall be filed no later than thirty days prior to the
4 closing date to file nomination papers to run for the office for
5 which the candidate intends to seek election. The candidate
6 shall spend seed money only until the candidate is certified by
7 the commission as a publicly-funded candidate or the closing
8 date to file nomination papers to run for the office for which
9 the candidate intends to seek election, whichever occurs first.

10 (e) Any unspent seed money shall be deducted from the
11 amount of public funding provided to the certified candidate if
12 the certified candidate does not donate the unspent seed money
13 to the Hawaii election campaign fund.

14 (f) A certified candidate who has surplus campaign funds
15 from a previous election is prohibited from using those funds
16 for any purpose. The surplus campaign funds shall be frozen and
17 maintained in a separate depository account from that
18 established for the public funds under section 11-L; provided
19 that funds used for seed money shall be deposited according to
20 section 11-L(a). The candidate shall continue to file reports



1 on the surplus campaign funds in accordance with subpart D, or
2 as otherwise may be required by the commission.

3 **§11-E Application for public funds; qualifying names;**
4 **qualifying contributions.** (a) Candidates seeking certification
5 for public funding for a county office shall submit an
6 application for certification that contains at least one hundred
7 printed qualifying names, with addresses and signatures, that
8 shall be accompanied by a qualifying contribution of \$5, in the
9 same name.

10 (b) To be counted as a qualifying name, with or without an
11 accompanying qualifying contribution, the name shall be from an
12 individual who is a registered voter and who resides within the
13 respective county from which the candidate seeks nomination or
14 election at the time the contribution is given. Nothing of
15 value shall be given to the individual in exchange for the
16 qualifying contribution.

17 (c) No candidate shall collect any qualifying name, with
18 or without an accompanying qualifying contribution, prior to the
19 candidate filing a declaration of intent to seek public funding
20 with the commission.



1 (d) Any receipt for a qualifying contribution shall be
2 made in a form prescribed by the commission pursuant to section
3 11-0.

4 (e) All qualifying contributions collected by a candidate,
5 whether or not the candidate is certified, shall be deposited
6 into the Hawaii election campaign fund.

7 (f) The application for certification shall contain any
8 other information deemed necessary and appropriate by the
9 commission and include a self-subscribing oath for the candidate
10 and the candidate's campaign treasurer to swear to the truth of
11 the allegations in the application. The application shall be
12 submitted to the commission no later than thirty days prior to
13 the primary election and shall be signed by the candidate and
14 the candidate's campaign treasurer.

15 **§11-F Certification of qualification for public funds.**

16 (a) The commission, in coordination with the clerk for the
17 county from which election is sought, shall verify that:

18 (1) At least the minimum required qualifying names and
19 qualifying contributions were received from registered
20 voters in the county from which the candidate seeks
21 election;



1 (2) The candidate resides in the county from which
2 election is sought as of the date of the filing of
3 nomination papers; and
4 (3) The candidate is a registered voter in the county from
5 which election is sought.

6 The county clerk shall provide to the commission the information
7 required to verify qualifying names and contributions and the
8 candidate's residency and voter registration status, including
9 the names, addresses, and signatures of registered voters in
10 that county collected pursuant to section 11-E.

11 (b) The commission shall issue a decision to certify or
12 deny certification of a candidate as a publicly-funded candidate
13 within ten business days following receipt of the candidate's
14 completed application for certification for the receipt of
15 public funds.

16 (c) After a candidate is certified, the candidate's
17 certification shall apply to the primary and the general
18 elections.

19 (d) Initial certification and all determinations by the
20 commission under this section are final and conclusive, except



1 to the extent that they are subject to examination and audit by
2 the commission under section 11-434.

3 (e) Any certified candidate elected to the office sought
4 may choose to remain in the public funding program in successive
5 elections and shall not be required to resubmit an application
6 for certification if the certified candidate:

7 (1) Is a candidate for reelection to the same office in
8 successive elections; and

9 (2) Has not sought election to any other office during the
10 period between elections.

11 **§11-G Public funds to be distributed to certified**

12 **candidates.** (a) Each certified candidate for a county election
13 shall receive public funding of four times the first \$50 of each
14 donation, or four times the amount of every donation received up
15 to \$50; provided that the candidate agrees to cap all donations
16 at \$200. The maximum amount of public funding available in each
17 election to a certified candidate for a county election shall
18 not exceed the amount expended by the candidate who was elected
19 to the office sought in the previous election period; provided
20 that if an opponent expends an amount greater than the amount
21 expended by the candidate who was elected to the office sought



1 in the previous election period, the maximum amount of public
2 funding available shall be based on the last report filed by the
3 opponent.

4 (b) Upon the commission's approval of the application and
5 statement of qualifying contributions, the commission shall
6 direct the comptroller to distribute the public funds allowed by
7 this section from the Hawaii election campaign fund by check or,
8 when possible, by an automatic transfer of funds. Public funds
9 shall be distributed to the candidate within twenty days from
10 the date that the candidate's initial application and qualifying
11 contribution statement is approved by the commission.

12 (c) The commission shall be under no obligation to provide
13 moneys to a candidate if moneys in the Hawaii election campaign
14 fund are near depletion as determined by the commission pursuant
15 to section 11-P.

16 **§11-H Contributions and expenditures; penalties.** (a) A
17 certified candidate shall comply with the following restrictions
18 on contributions and expenditures:

19 (1) Upon certification for public funding and until the
20 end of the general election campaign period, a
21 candidate shall not accept for use in the campaign:



- 1 (A) Contributions from any person;
- 2 (B) Loans from any person, including a certified
- 3 candidate;
- 4 (C) Contributions from political parties; or
- 5 (D) Any campaign material purchased or held from a
- 6 date prior to filing the declaration of intent to
- 7 seek public funds; and
- 8 (2) Upon certification for public funding and until the
- 9 end of the general election campaign period, a
- 10 candidate shall not expend 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 subpart; or
 - 15 (C) Public funds outside the applicable campaign
 - 16 period.
- 17 (b) A certified candidate who accepts contributions in
- 18 violation of this section shall be subject to a fine equal to
- 19 three times the public funding received, in addition to any
- 20 other action, fines, or prosecution under section 11-N and
- 21 subpart I, or any applicable provision of the Hawaii Penal Code.



1 (c) A certified candidate who makes expenditures of more
2 than one hundred per cent of the public funds allocated to the
3 candidate shall repay to the Hawaii election campaign fund an
4 amount equal to three times the excess expenditures.

5 **§11-I Publicly-funded candidate; reporting.** (a) A
6 certified candidate and the certified candidate's committee
7 shall furnish to the commission complete campaign records,
8 including all records of seed money contributions, qualifying
9 contributions, and expenditures. A certified candidate shall
10 fully cooperate with any audit or examination by the commission.

11 (b) The reporting requirements for certified candidates
12 under this subpart or that may be required by the commission
13 shall be in addition to any other reporting requirement under
14 this part.

15 (c) An individual who uses seed money to determine whether
16 sufficient support exists to run for office as a publicly-funded
17 candidate and who is not already registered with the commission
18 shall register as a candidate by filing the organizational
19 report required by section 11-321, within ten days of receiving
20 more than \$100 in seed money, either from contributions or
21 personal funds.



1 (d) All reports required by subpart D, seed money reports,
2 and post-election reports shall be filed with the commission.

3 (e) Seed money reports shall be filed with the commission
4 no later than:

- 5 (1) January 31 of a general election year;
- 6 (2) April 30 of a general election year; and
- 7 (3) Twenty days prior to the primary election.

8 (f) Each report shall be current through:

- 9 (1) The six-month period ending on December 31 for the
10 report filed on January 31;
- 11 (2) The three-month period ending on March 31 for the
12 report filed on April 30; and
- 13 (3) Thirty days prior to the primary election for the
14 report filed twenty days prior to the primary
15 election.

16 (g) The seed money reports shall include:

- 17 (1) The candidate committee's name and address;
- 18 (2) The amount of cash on hand at the beginning of the
19 reporting period;
- 20 (3) The reporting period and aggregate total for each of
21 the following categories:



- 1 (A) Contributions;
- 2 (B) Expenditures; and
- 3 (C) Other receipts; and
- 4 (4) The cash on hand at the end of the reporting period.
- 5 (h) Schedules filed with the seed money reports shall also
- 6 include:
- 7 (1) The amount and date of deposit of each contribution
- 8 and the name and address of each contributor who makes
- 9 contributions aggregating more than \$100 in an
- 10 election period; provided that if all the information
- 11 is not on file, the contribution shall be returned to
- 12 the contributor within thirty days of deposit;
- 13 (2) All expenditures made, including the name and address
- 14 of each payee and the amount, date, and purpose of
- 15 each expenditure. Expenditures for consultants,
- 16 advertising agencies and similar firms, credit card
- 17 payments, salaries, and candidate reimbursements shall
- 18 be itemized to permit a reasonable person to determine
- 19 the ultimate intended recipient of the expenditure and
- 20 its purpose; and



1 (3) The amount, date of deposit, and description of other
2 receipts and the name and address of the source of
3 each of the other receipts.

4 (i) Post-election reports shall be submitted to the
5 commission no later than twenty days after a primary election
6 and no later than thirty days after a general election
7 certifying that all public funds paid to the certified candidate
8 have been used as required by this subpart. The post-election
9 reports shall include information regarding all expenditures
10 made, including the name and address of each payee and the
11 amount, date, and purpose of each expenditure. Expenditures for
12 consultants, advertising agencies and similar firms, credit card
13 payments, salaries, and candidate reimbursements shall be
14 itemized to permit a reasonable person to determine the ultimate
15 intended recipient of the expenditure and its purpose.

16 (j) All certified candidates shall file the reports
17 required under this subpart by electronic means in the manner
18 prescribed by the commission.

19 **§11-J Publicly-funded candidate; continuing obligation.**

20 (a) A certified candidate shall comply with all requirements
21 under this subpart through the general election campaign period,



1 except as provided in subsection (d), regardless of whether the
2 certified candidate maintains eligibility for public funding in
3 the general election campaign period.

4 (b) Except for seed money contributions and qualifying
5 contributions, a certified candidate who is elected to the
6 office sought shall not accept private contributions from any
7 person until either September 1 of the next odd-numbered year
8 following the general election in which the candidate was last
9 elected, or the date when the commission determines there are
10 insufficient funds under section 11-P, whichever occurs earlier.

11 (c) If a certified candidate withdraws from the primary
12 election or the general election, all unexpended public funds
13 received by the candidate under this subpart shall be returned
14 to the Hawaii election campaign fund within thirty days after
15 withdrawal.

16 (d) A certified candidate who is successful in the primary
17 election may carry over any unexpended public funds to the
18 general election; provided that the certified candidate has an
19 opponent in the general election. If the certified candidate
20 does not have an opponent in the general election, the certified
21 candidate shall return all unexpended public funds received by



1 the certified candidate under this subpart to the Hawaii
2 election campaign fund within thirty days after the primary
3 election.

4 (e) A certified candidate who is not successful in the
5 primary or general election shall return all unexpended public
6 funds received by the certified candidate under this subpart to
7 the Hawaii election campaign fund within thirty days after the
8 election in which the candidate was not successful.

9 **§11-K Public funding; permitted uses.** (a) Public funds
10 shall be used only for the purpose of defraying expenses
11 directly related to the certified candidate's campaign during
12 the primary or general election campaign period for which the
13 public funds are allocated.

14 (b) A candidate receiving funds under this subpart or the
15 candidate's campaign treasurer shall not transfer any portion of
16 the funds provided under this subpart to any other candidate for
17 another campaign.

18 **§11-L Deposit of, and access to, public funds.** (a) All
19 public funds and seed money received by a certified candidate
20 shall be deposited directly into a depository institution as
21 provided under section 11-351(a) and section 11-D(f) and



1 accessed through the use of debit cards and bank checks. No
2 expenditure of public funds received under this subpart shall be
3 made except by debit cards or bank checks drawn on the account.

4 (b) All reports required under subpart D and this subpart
5 for financial disclosure shall include the most recent,
6 available bank statement from the depository institution holding
7 the public funds, as attested to by the candidate's committee.

8 **§11-M Deposit of money into the Hawaii election campaign**
9 **fund.** The following moneys shall be deposited into the Hawaii
10 election campaign fund established under section 11-421:

- 11 (1) Appropriations made by the legislature for the
12 purposes of this subpart;
- 13 (2) Excess seed money contributions;
- 14 (3) Qualifying contributions, including any excess
15 qualifying contributions of certified candidates;
- 16 (4) Unspent public funds distributed to any certified
17 candidate;
- 18 (5) Fines levied by the commission for violation of this
19 subpart; and
- 20 (6) Voluntary donations made for the purposes of this
21 subpart.



1 **§11-N Violations; penalties.** Any candidate who knowingly
2 seeks or receives contributions, attempts to take any action, or
3 takes any action to fraudulently qualify for or receive public
4 funding shall:

- 5 (1) Have the candidate's certification for public funding
6 revoked. Upon revocation of certification, the
7 certified candidate shall repay all public funds
8 received within ten business days to the Hawaii
9 election campaign fund; and
- 10 (2) Be subject to fines and penalties as specifically
11 provided in this subpart and other fines or penalties
12 pursuant to sections 11-410 and 11-412, and the Hawaii
13 Penal Code.

14 **§11-O Forms; receipts; candidate guide.** The commission
15 shall create and publish all forms and receipts required as well
16 as a candidates' guide to the comprehensive public funding
17 program that shall include an explanation of rules and
18 procedures applicable to candidates.

19 **§11-P Sufficiency of funding for comprehensive public**
20 **funding.** On September 1 of each odd-numbered year before a
21 general election year, the commission shall determine whether



1 there is a minimum of \$3,500,000 in the Hawaii election campaign
2 fund established under section 11-421 to certify candidates
3 during the next election and provide funding for the
4 comprehensive public funding program authorized under this
5 subpart.

6 If the commission determines that there is sufficient
7 funding, then within five business days, the commission shall
8 publish notice statewide, pursuant to section 1-28.5, that the
9 comprehensive public funding program shall become effective on
10 January 1 of the following year. If there is insufficient
11 funding, sections 11-C through 11-H shall be inoperative until
12 the commission next determines that sufficient funding is
13 available pursuant to this section."

14 SECTION 3. Section 11-421, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "[+]§11-421[+] Hawaii election campaign fund; creation.

17 (a) The Hawaii election campaign fund is created as a trust
18 fund within the state treasury.

19 (b) The fund shall consist of:



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

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

5 (3) All moneys designated for deposit into the fund
6 pursuant to section 11-M; and

7 [~~(3)~~] (4) Other moneys collected pursuant to this part.

8 (c) Moneys in the fund shall be paid to candidates by the
9 comptroller as prescribed in [~~section~~] sections 11-431 and 11-G
10 and may be used for the commission's operating expenses,
11 including staff salaries and fringe benefits."

12 SECTION 4. Section 11-431, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "(a) Upon the commission's approval of the application and
15 statement of qualifying contributions, the commission shall
16 direct the comptroller to distribute matching public funds up to
17 the maximum amount of public funds allowed by section 11-425[~~-~~]
18 or section 11-G(a) by check or, when possible, by an automatic
19 transfer of funds. Public funds shall be distributed to the
20 candidate within twenty days from the date that the candidate's



1 initial application and qualifying contribution statement is
2 approved by the commission."

3 SECTION 5. The campaign spending commission shall submit a
4 report of its findings and recommendations, including any
5 proposed legislation, to the legislature no later than twenty
6 days prior to the convening of the regular session of 2022 on
7 further statutory amendments to best facilitate the
8 implementation of this Act.

9 SECTION 6. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$ or so
11 much thereof as may be necessary for fiscal year 2020-2021 for
12 deposit into the Hawaii election campaign fund under section 11-
13 421, Hawaii Revised Statutes.

14 The sum appropriated shall be disbursed by the campaign
15 spending commission consistent with chapter 11, part XIII,
16 subpart , Hawaii Revised Statutes, and the purposes of this
17 Act.

18 SECTION 7. There is appropriated out of the Hawaii
19 election campaign fund under section 11-421, Hawaii Revised
20 Statutes, the sum of \$ or so much thereof as may be
21 necessary for fiscal year 2020-2021 in preparing for the public



1 funding of candidates in elections taking place in 2022,
2 including full-time equivalent (FTE), temporary
3 positions.

4 The sum appropriated shall be expended by the campaign
5 spending commission for the purposes of this Act.

6 SECTION 8. In codifying the new sections added by section
7 2 of this Act, the revisor of statutes shall substitute
8 appropriate section numbers for the letters used in designating
9 the new sections in this Act.

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

12 SECTION 10. This Act shall take effect on January 28,
13 2081.



Report Title:

Campaign Finance; Publicly Funded Elections; Counties

Description:

Creates a comprehensive public funding program for candidates for county elections beginning in 2022. Appropriates funds to the Campaign Spending Commission. Effective 1/28/2081. (SD1)

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

