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STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

235 SOUTH BERETANIA STREET, ROOM 300
HONOLULU, HAWAII 96813

February 27, 2023

TO: The Honorable Kyle T. Yamashita, Chair
House Committee on Finance

The Honorable Lisa Kitagawa, Vice Chair
House Committee on Finance

Members of the House Committee on Finance

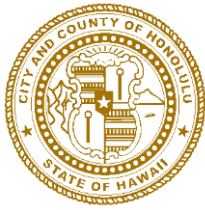
FROM: Tony Baldomero, Associate Director for *TB*
Kristin Izumi-Nitao, Executive Director
Campaign Spending Commission

SUBJECT: **Testimony on H.B. No. 42, HD1, Relating to Campaign Finance.**

Tuesday, February 28, 2023
11:30 a.m., Conference Room 308 & Videoconference

Thank you for the opportunity to testify on this bill. The Campaign Spending Commission ("Commission") provides the following comments on this bill.

This bill amends Hawaii Revised Statutes ("HRS") §11-384 to authorize candidates of inactive campaigns to donate residual campaign funds to the general fund of the State or to the real property tax general fund of any county of the state. Currently, residual funds of a candidate who fails to file nomination papers or who withdraws or ceases to be a candidate for election, must be returned to contributors within 90 days of the last day to file nomination papers or after the candidate withdraws or ceases to be a candidate, or the funds escheat to the Hawaii Election Campaign Fund ("HECF"). Residual funds of a candidate who is elected to office or loses an election, in addition to being returned to contributors within a certain time frame, or escheat to the HECF, may also be spent pursuant to HRS §11-381.



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February 27, 2023

TO: CHAIR KYLE T. YAMASHITA, COMMITTEE ON FINANCE
VICE CHAIR LISA KITAGAWA, COMMITTEE ON FINANCE

FROM: COUNCILMEMBER CALVIN SAY
HONOLULU CITY COUNCIL, DISTRICT V

SUBJECT: TESTIMONY IN SUPPORT OF HOUSE BILL 42

Aloha Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee on Finance:

I am a current member of the Honolulu City Council representing District 5 and serving as the Chair of the Zoning Committee. I stand in **support** of House Bill 42, which aims to authorize candidates of inactive campaigns and their candidate committees to donate residual campaign funds to the State or the Counties.

Running for political office in Hawaii can be costly, and during the election cycle candidates in Hawaii are able to accept contributions to support their campaigns. These funds, however, are limited in how they can be used after a campaign ends. Currently, funds can generally be returned to the contributors or they are reverted to the Hawaii election campaign fund.

HB 42 adds another option for the use of inactive campaign funds, authorizing candidates to donate to the State and/or City. This would allow donations to be used as an additional revenue source to support State and City services, making a positive impact to the community and its constituents. As the population grows, the City and County of Honolulu must continue providing services while keeping a balanced budget. However, as the responsibilities of the City increases, for example taking over the oversight and costs of emergency medical services on Oahu, our main revenue source continues to be real property taxes, which falls on the backs of our residents. Donations may not be a huge impact to the budget, but it can alleviate the burden on our taxpayers or help to provide much needed services to our local families.

Thank you for this opportunity to testify in **support** of House Bill 42. Thank you for your time and consideration.