

JAN 19 2024

A BILL FOR AN ACT

RELATING TO PUBLIC FINANCING FOR CANDIDATES TO ELECTED OFFICE.

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

1 SECTION 1. The legislature finds that providing a
2 mechanism to fully fund the elections of candidates for state
3 and county offices who voluntarily agree to abide by campaign
4 fundraising and expenditure guidelines will have significant
5 public benefit. The common belief is that the current campaign
6 finance system used in Hawai'i (and most other states) unfairly
7 favors a small handful of wealthy donors who use their donations
8 to buy access to candidates and elected officials.

9 Comprehensive publicly-funded campaign programs are
10 intended to improve the process by allowing candidates to
11 compete without reliance on private funds and by also allowing
12 elected officials to make decisions without the influence, or
13 appearance thereof, of private individuals, lobbyists, political
14 parties, political action committees, unions, corporations, and
15 other entities. Candidates who choose to participate in
16 Hawai'i's comprehensive public funding program established by
17 this Act, after obtaining a minimum of \$5 donations from voters,



1 would be barred from soliciting, accepting, or using
2 contributions from any source other than the program's public
3 funds. This restriction on funding would apply during each
4 participating candidate's campaign and, if elected, throughout
5 the candidate's term in office. By demonstrating support from
6 voters in the relevant district, the participating candidate
7 justifies receipt of public funding sufficient to run in a
8 primary election and, if successful, the general election
9 campaign.

10 The legislature further finds that public financing of
11 campaigns in some form has existed since the 1970s and was
12 enacted in response to Watergate. Hawai'i became a leader in
13 public funding programs when it added language to the Hawai'i
14 State Constitution in 1978 that established the partial public
15 funding program that candidates continue to use. Comprehensive
16 public financing programs, sometimes termed "clean elections,"
17 were established in 1996 in Maine, in 1998 in Arizona, and have
18 since also been adopted in Connecticut and New Mexico.

19 The legislature further finds that the statewide
20 comprehensive public funding program established by this Act is
21 modeled after the Hawai'i county council's comprehensive public



1 funding pilot project that disbursed \$363,060 in public funds to
2 a total of sixteen candidates in the 2010 and 2012 county
3 council elections within Hawai'i county. The statewide program
4 proposed by this Act is also informed by Maine's Clean Election
5 Act, which since 2000 has supported legislative and
6 gubernatorial candidates in a state with a population similar to
7 that of Hawai'i. Under Maine's program, a state senate candidate
8 would need to obtain at least one hundred seventy-five
9 qualifying contributions in order to be eligible to receive up
10 to \$70,000 in public funds, and a gubernatorial candidate would
11 need at least three thousand two hundred qualifying
12 contributions for up to \$3,000,000 in public funds. Comparable
13 levels of public funding will be necessary to ensure that
14 Hawai'i's program is practicable for participating candidates.
15 The legislature notes that the annual cost of operating a
16 program to publicly fund candidates is dwarfed in comparison to
17 the state budget of several billion dollars. The cost is
18 equally eclipsed by the projected increase in public confidence
19 in the State's candidates and elected officials.

20 Therefore, the purpose of this Act is to:



- 1 (1) Allowing candidates to compete without relying on
- 2 money from special interests;
- 3 (2) Allowing elected officials to make decisions free from
- 4 the influence of, or the appearance that they have
- 5 been influenced by, donations from special interests;
- 6 (3) Restoring public confidence in the electoral and
- 7 legislative processes; and
- 8 (4) Increasing meaningful citizen participation.

9 **§11-B Definitions.** Except for terms specifically defined
10 in this subpart, terms that are defined under section 11-302
11 shall apply to this subpart. As used in this subpart:

12 "Candidate" means an individual who seeks nomination for
13 election or seeks election to a state or county office in the
14 State.

15 "Certification for comprehensive public funding" means the
16 decision by the commission that a candidate is certified to
17 receive comprehensive public funding in accordance with this
18 subpart.

19 "Certified candidate" or "comprehensive publicly-funded
20 candidate" means a candidate who the commission has certified to



1 be eligible for comprehensive public funding under this subpart,
2 and who agrees to abide by the requirements of this subpart.

3 "Declaration of intent to seek comprehensive public
4 funding" means the form completed by a candidate seeking public
5 funding.

6 "Excess expenditure" means the amount of public funds spent
7 or obligated to be spent by a comprehensive publicly-funded
8 candidate in excess of one hundred per cent of the allocated
9 funds for a primary election, general election, or both.

10 "General elections" means a general, subsequent special, or
11 subsequent nonpartisan election.

12 "General election campaign period" means the period
13 beginning the day after the primary election and ending on
14 general election day.

15 "General election year" means the period commencing January
16 1 of an even-numbered year in which a general election is held
17 and ending on the general election day.

18 "Primary election" means a primary, initial special, or
19 initial nonpartisan election.

20 "Primary election campaign period" means the period in a
21 primary election year beginning with the certification for



1 public funding under this subpart and ending on the primary
2 election day.

3 "Public funding," "public funds," "comprehensive public
4 funding," or "comprehensive public funds" means campaign funds
5 from the Hawaii election campaign fund's subfund for the
6 comprehensive public funding program under section 11-421 that
7 are received by a certified candidate pursuant to this subpart.

8 "Qualifying contribution" means a monetary contribution
9 that complies with section 11-F.

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

13 "Surplus campaign funds" means any campaign contributions
14 not spent during a prior election period by a candidate who
15 previously sought election as a privately-funded candidate.

16 **§11-C Establishment.** There is established a comprehensive
17 public funding program for candidates to state and county public
18 offices in the State, beginning with the 2028 general election
19 year.

20 **§11-D Qualifications for comprehensive public funding.**

21 (a) A candidate is eligible to seek comprehensive public



1 funding for the primary election campaign period if the
2 candidate:

3 (1) Resides in the respective district from which election
4 is sought as of the date of the filing of nomination
5 papers for the primary election in the general
6 election year in which the candidate seeks to be
7 nominated or elected;

8 (2) Is a registered voter in the district from which
9 election is sought;

10 (3) Files a declaration of intent to seek comprehensive
11 public funding with the commission between December 1
12 of the year prior to the general election year and
13 thirty days before the closing date to file nomination
14 papers to run for the office for which the candidate
15 intends to seek election;

16 (4) Collects qualifying contributions and names in
17 accordance with section 11-F;

18 (5) Accepts, for the office for which the candidate
19 intends to seek election, only the following
20 contributions before applying for certification as a
21 comprehensive publicly-funded candidate:



- 1 (A) Seed money contributions, until the candidate
- 2 files a declaration of intent to seek
- 3 comprehensive public funding; and
- 4 (B) Qualifying contributions that shall be accepted
- 5 only after filing the declaration of intent to
- 6 seek comprehensive public funding;
- 7 (6) Files an application for certification for
- 8 comprehensive public funding with the commission; and
- 9 (7) Agrees to comply with contribution and expenditure
- 10 restrictions in accordance with section 11-I and with
- 11 other program requirements, if certified pursuant to
- 12 this subpart.
- 13 (b) A candidate is qualified to seek comprehensive public
- 14 funding for the general election campaign period if the
- 15 candidate:
- 16 (1) Was certified as a comprehensive publicly-funded
- 17 candidate during the primary election campaign period
- 18 immediately preceding the general election in which
- 19 the funds under this subpart are provided;
- 20 (2) Continues to meet the requirements of subsections (a)
- 21 and this subpart; and



1 (3) Received a sufficient number of votes to appear on the
2 ballot in the general election or is otherwise
3 certified by the county clerk to be placed on the
4 ballot in the general election.

5 **§11-E Seed money contributions; limitations on use of seed**
6 **money; penalties.** (a) The use of seed money shall be limited
7 to expenditures necessary to determine whether sufficient
8 support exists for a candidate to run for office as a
9 comprehensive publicly-funded candidate.

10 (b) The amount of seed money received, expended, or both,
11 by a candidate seeking eligibility for comprehensive public
12 funding shall not exceed \$5,000, or five per cent of the maximum
13 amount of funds to be distributed to a certified candidate for
14 the office sought, whichever is greater. Seed money shall
15 include any personal funds, surplus campaign funds, or
16 contributions received from individuals in an aggregate amount
17 no greater than \$250 each that the candidate may choose to use.
18 A candidate seeking eligibility for comprehensive public funding
19 shall not accept contributions of seed money from any individual
20 whose contributions are prohibited under subpart E. All



1 contributors whose seed money has been accepted shall be issued
2 a receipt by the candidate.

3 (c) An individual who uses seed money to determine whether
4 sufficient support exists to campaign for office as a
5 comprehensive publicly-funded candidate who is not already
6 registered with the commission shall register as a candidate by
7 filing the organizational report required by section 11-321
8 within ten days of receiving more than \$100 in seed money from
9 either contributions or personal funds.

10 (d) Seed money shall not be collected after the candidate
11 has filed the declaration of intent to seek comprehensive public
12 funding. The candidate shall spend seed money only until the
13 candidate is certified by the commission as a comprehensive
14 publicly-funded candidate, or the closing date to file
15 nomination papers to run for the office for which the candidate
16 intends to seek election, or whichever occurs first.

17 (e) Any unspent seed money shall be deducted from the
18 amount of comprehensive public funding allocated to the
19 certified candidate; provided that the certified candidate does
20 not donate the unspent seed money to the Hawaii election



1 campaign fund's subfund for the comprehensive public funding
2 program.

3 (f) A certified candidate who has surplus campaign funds
4 from a previous election is prohibited from using those funds
5 for any purpose except as seed money pursuant to this section.
6 The surplus campaign funds shall be frozen and maintained in a
7 separate depository account from that established for the public
8 funds under section 11-K. The candidate shall continue to file
9 reports on the surplus campaign funds in accordance with subpart
10 E, or as may otherwise be required by the commission.

11 **§11-F Application for comprehensive public funds;**
12 **qualifying contributions.** (a) Each candidate that seeks
13 comprehensive public funding shall submit an application for
14 certification that contains the minimum number of qualifying
15 contributions, as specified in subsection (b). Each qualifying
16 contribution shall be a monetary contribution of exactly \$5 in
17 the form of cash, a check, or money order payable to the Hawaii
18 election campaign fund and signed by the contributor in support
19 of a candidate. An electronic form of payment made in support
20 of a candidate may be counted as a qualifying contribution, if
21 it adheres to procedures established by the commission.



1 Further, each qualifying contribution shall be accompanied by a
2 form provided by the commission that includes:

3 (1) The contributor's printed name, address, signature,
4 date of birth, the contributor's acknowledgement that
5 the contribution was made with the contributor's
6 personal funds in support of the candidate, and was
7 not given in exchange for anything of value; and

8 (2) The candidate's acknowledgement that the contribution
9 was obtained with the candidate's knowledge and
10 approval and that nothing of value was given in
11 exchange for the contribution. Only registered voters
12 who reside within the respective district from which
13 the candidate seeks nomination or election at the time
14 the contribution is given shall be considered for
15 certification purposes. Nothing of value shall be
16 given to the individual in exchange for the qualifying
17 contribution.

18 (b) The minimum number of qualifying contributions shall
19 be as follows:

20 (1) For the office of governor – 6,250 qualifying
21 contributions;



- 1 (2) For the office of lieutenant governor – three thousand
2 qualifying contributions;
- 3 (3) For the office of state senator – two hundred fifty
4 qualifying contributions;
- 5 (4) For the office of state representative – one hundred
6 twenty-five qualifying contributions;
- 7 (5) For the office of Hawaiian affairs – one hundred
8 qualifying contributions;
- 9 (6) For the office of mayor of a county with a population
10 of five hundred thousand or more – 5,750 qualifying
11 contributions;
- 12 (7) For the office of mayor of a county with a population
13 of not less than 195,000 but not more than 499,999 –
14 nine hundred qualifying contributions;
- 15 (8) For the office of mayor of a county with a population
16 of not less than one hundred fifty thousand but not
17 more than 194,999 – one thousand five hundred
18 qualifying contributions;
- 19 (9) For the office of mayor of a county with a population
20 of less than one hundred fifty thousand – eight
21 hundred seventy-five qualifying contributions;



- 1 (10) For the office of prosecuting attorney of a county
2 with a population of five hundred thousand or more –
3 five hundred sixty-three qualifying contributions;
- 4 (11) For the office of prosecuting attorney of a county
5 with a population of 195,000 or more but not more than
6 499,999 – one hundred qualifying contributions;
- 7 (12) For the office of prosecuting attorney of a county
8 with a population of less than one hundred fifty
9 thousand but not more than 194,999 – one hundred
10 qualifying contributions;
- 11 (13) For the office of prosecuting attorney of a county
12 with a population of less than one hundred fifty
13 thousand – sixty-three qualifying contributions;
- 14 (14) For the office of county council of a county with a
15 population of five hundred thousand or more – three
16 hundred thirty-eight qualifying contributions;
- 17 (15) For the office of county council of a county with a
18 population of not less than 195,000 but not more than
19 499,999 – fifty qualifying contributions;
- 20 (16) For the office of county council of a county with a
21 population of not less than one hundred fifty thousand



1 but not more than 194,999 – one hundred thirty-eight
2 qualifying contributions; and

3 (17) For the office of county council of a county with a
4 population of less than one fifty thousand – seventy-
5 five qualifying contributions.

6 (c) No qualifying contribution shall be collected prior to
7 a candidate filing a declaration of intent to seek comprehensive
8 public funding with the commission. A contribution received
9 before the filing of a declaration of intent to seek public
10 funds shall not be considered a qualifying contribution.

11 (d) Any receipt for a qualifying contribution shall be
12 made in a form prescribed by the commission pursuant to section
13 11-N.

14 (e) All qualifying contributions collected by a candidate,
15 whether or not the candidate is certified, shall be deposited
16 into the Hawaii election campaign fund's subfund for the
17 comprehensive public funding program.

18 (f) The application for certification shall be submitted
19 to the commission no later than thirty days before the primary
20 election and shall be signed by the candidate and the
21 candidate's campaign treasurer under penalty of perjury. The



1 application shall contain any other information deemed necessary
2 by the commission.

3 (g) Use of voter registration information to obtain
4 qualifying contributions and seek comprehensive public funds
5 shall constitute election purposes pursuant to section 11-97 and
6 applicable rules.

7 **§11-G Certification of qualification for comprehensive**
8 **public funds.** (a) The commission, in coordination with the
9 clerk for the county that includes the district from which
10 election is sought, shall verify that the candidate received the
11 minimum required qualifying contributions from registered voters
12 in the district from which the candidate seeks office, that the
13 candidate resides in the district from which election is sought
14 as of the date of the filing of nomination papers, and that the
15 candidate is a registered voter in the district from which
16 election is sought. The clerk for the county that includes the
17 district from which election is sought shall provide to the
18 commission the information needed for verification, including
19 the names addresses, dates of birth, and signatures of
20 registered voters in that district.



1 (b) The commission shall issue a decision to certify or
2 deny the certification of a candidate as a comprehensive
3 publicly-funded candidate within ten business days following
4 receipt of the candidate's completed application for
5 certification to receive comprehensive public funds.

6 (c) After a candidate is certified, the candidate's
7 certification shall apply to both the primary and the general
8 elections.

9 (d) The certifications and all determinations made by the
10 commission under this section shall be final and conclusive,
11 except to the extent that they are subject to examination and
12 audit by the commission under section 11-434.

13 **§11-H Comprehensive public funds to be distributed to**
14 **certified candidates.** (a) Each certified candidate who has an
15 opponent in the primary election and an opponent in the general
16 election shall receive the following amounts of public funding,
17 as adjusted pursuant to subsection (d), and distributed at a
18 rate of sixty-seven per cent for the primary election and
19 thirty-three per cent for the general election:



- 1 (1) For the office of governor – \$1,675,000 in the
2 primary, \$825,000 in the general, for a maximum of
3 \$2,500,000;
- 4 (2) For the office of lieutenant governor – \$804,000 in
5 the primary, \$396,000 in the general, for a maximum of
6 \$1,200,000;
- 7 (3) For the office of state senator – \$67,000 in the
8 primary, \$33,000 in the general, for a maximum of
9 \$100,000;
- 10 (4) For the office of state representative – \$33,500 in
11 the primary, \$16,500 in the general, for a maximum of
12 \$50,000;
- 13 (5) For the office of Hawaiian affairs – \$26,800 in the
14 primary, \$13,200 in the general, for a maximum of
15 \$40,000;
- 16 (6) For the office of mayor of a county with a population
17 of five hundred thousand or more – \$1,541,000 in the
18 primary, \$759,000 in the general, for a maximum of
19 \$2,300,000;
- 20 (7) For the office of mayor of a county with a population
21 of not less than 195,000 but not more than 499,999 –



- 1 \$241,200 in the primary, \$118,800 in the general, for
2 a maximum of \$360,000;
- 3 (8) For the office of mayor of a county with a population
4 of not less than one hundred fifty thousand but not
5 more than 194,999 – \$402,000 in the primary, \$198,000
6 in the general, for a maximum of \$600,000;
- 7 (9) For the office of mayor of a county with a population
8 of less than one hundred fifty thousand – \$234,500 in
9 the primary, \$115,500 in the general, for a maximum of
10 \$350,000;
- 11 (10) For the office of prosecuting attorney of a county
12 with a population of five hundred thousand or more –
13 \$150,750 in the primary, \$74,250 in the general, for a
14 maximum of \$225,000;
- 15 (11) For the office of prosecuting attorney of a county
16 with a population of not less than 195,000 but not
17 more than 499,999 – \$26,800 in the primary, \$13,200 in
18 the general, for a maximum of \$40,000;
- 19 (12) For the office of prosecuting attorney of a county
20 with a population of not less than one hundred fifty
21 thousand but not more than 194,999 – \$26,800 in the



1 primary, \$13,200 in the general, for a maximum of
2 \$40,000;

3 (13) For the office of prosecuting attorney of a county
4 with a population of less than one hundred fifty
5 thousand – \$16,750 in the primary, \$8,250 in the
6 general, for a maximum of \$25,000;

7 (14) For the office of county council of a county with a
8 population of five hundred thousand or more – \$90,450
9 in the primary, \$44,550 in the general, for a maximum
10 of \$135,000;

11 (15) For the office of county council of a county with a
12 population of not less than 195,000 but not more than
13 499,999 –\$13,400 in the primary, \$6,600 in the
14 general, for a maximum of \$20,000;

15 (16) For the office of county council of a county with a
16 population of not less than one hundred fifty thousand
17 or more and less than 195,000 – \$36,850 in the
18 primary, \$18,150 in the general, for a maximum of
19 \$55,000; and

20 (17) For the office of county council of a county with a
21 population of less than one hundred fifty thousand –



1 \$20,100 in the primary, \$9,900 in the general, for a
2 maximum of \$30,000.

3 Any certified candidate who is unopposed in the primary election
4 shall receive thirty per cent of the primary allotment above;
5 provided that the certified candidate shall have a general
6 election opponent. Certified candidates who are unopposed in
7 the general election shall not receive the general election
8 allotment above.

9 (b) Upon the certification for comprehensive public
10 funding, the commission shall direct the comptroller to
11 distribute the public funds allowed by this section from the
12 Hawaii election campaign fund's subfund for the comprehensive
13 public funding program by check, or when possible, by an
14 automatic transfer of funds. Public funds for the primary
15 election shall be distributed to the candidate within twenty
16 days from the date that the candidate's initial application and
17 qualifying contribution statement is approved by the commission
18 and, for the general election, within ten days after the date of
19 the primary election.

20 (c) The commission shall be under no obligation to provide
21 moneys to a certified candidate if moneys in the Hawaii election



1 campaign fund's subfund for the comprehensive public funding
2 program are near depletion as determined by the commission
3 pursuant to section 11-0.

4 (d) The amounts of public funding specified in subsection
5 (a) shall be adjusted by the commission no later than January 15
6 of a general election year in accordance with any change in the
7 consumer price index for all urban consumers as published by the
8 United States Department of Labor, Bureau of Labor Statistics,
9 during the period ending on December 31 in the year preceding
10 the general election year for which the adjustment is to be
11 made.

12 **§11-I Certified candidates; continuing obligation;**
13 **restrictions; penalties.** (a) A certified candidate shall
14 comply with this subpart through the end of the general election
15 campaign period, regardless of whether the certified candidate
16 maintains eligibility for public funding in the general election
17 campaign period.

18 (b) Upon certification for comprehensive public funding
19 and through the end of the general election campaign period, a
20 certified candidate shall not accept any money for campaign
21 purposes, except public funds issued by the commission.



1 Contributions and loans from any person and any campaign
2 material purchased or held from a date before filing the
3 declaration of intent to seek comprehensive public funds shall
4 not be accepted.

5 (c) Upon certification for comprehensive public funding
6 and through the end of the general election period, a certified
7 candidate shall not expend for campaign purposes any money
8 except public funds issued by the commission. Public funds
9 shall be used only for the purpose of defraying expenses
10 directly related to the certified candidate's campaign during
11 the election campaign period for which the public funds are
12 allocated and shall comply with subpart G. A certified
13 candidate receiving funds under this subpart or the candidate's
14 campaign treasurer shall not transfer any portion of the funds
15 provided under this subpart to any other candidate for another
16 campaign. Public funds shall not be expended outside the
17 applicable campaign period.

18 (d) A certified candidate who is elected to the office
19 sought shall continue to be subject to the contribution and
20 expenditure restrictions of subsections (b) and (c) and shall
21 comply with other provisions of this subpart for the duration of



1 the term in office to which the candidate was elected. An
2 elected certified candidate who intends to seek office in the
3 next general election and apply for comprehensive public funding
4 may raise and spend seed money for the next election in
5 compliance with section 11- ; provided that the candidate
6 notifies the commission in writing of their intent to seek
7 reelection. An elected certified candidate who intends to seek
8 office in the next general election and will not apply for
9 comprehensive public funding, upon notification in writing to
10 the commission of their intent, shall no longer be subject to
11 the contribution and expenditure restrictions of subsections (b)
12 and (c) in the next general election, effective January 1 of the
13 next general election year. The candidate shall return all
14 unexpended public funds received to the Hawaii election campaign
15 fund's subfund for the comprehensive public funding program
16 within thirty days after the notice is submitted.

17 (e) If a certified candidate withdraws from seeking the
18 nomination for or from the election, all unexpended public funds
19 received by the candidate under this subpart shall be returned
20 to the Hawaii election campaign fund's subfund for the



1 comprehensive public funding program within thirty days after
2 the candidate's withdrawal.

3 (f) A certified candidate who is successful in the primary
4 election may carry over any unexpended public funds to the
5 general election, provided that the certified candidate has an
6 opponent in the general election. If the certified candidate is
7 successful in the general election, the certified candidate
8 shall return all unexpended public funds received under this
9 subpart to the Hawaii election campaign fund's subfund for the
10 comprehensive public funding program within thirty days after
11 the general election. If the certified candidate does not have
12 an opponent in the general election, the certified candidate
13 shall return all unexpended public funds received under this
14 subpart to the Hawaii election campaign fund's subfund for the
15 comprehensive public funding program within thirty days after
16 the primary election.

17 (g) A certified candidate who is not successful in the
18 primary or general election shall return all unexpended public
19 funds received under this subpart to the Hawaii election
20 campaign fund's subfund for the comprehensive public funding



1 program within thirty days after the election in which the
2 candidate was not successful.

3 (h) A certified candidate who accepts contributions in
4 violation of this section shall be subject to a fine equal to
5 three times the amount of public funding the candidate received,
6 in addition to any other action, fines, or prosecution under
7 section 11-M and subpart I, or any provision of the Hawaii penal
8 code.

9 (i) A certified candidate who makes expenditures of more
10 than one hundred per cent of the public funds allocated to the
11 candidate shall repay to the Hawaii election campaign fund's
12 subfund for the comprehensive public funding program an amount
13 equal to three times the excess expenditures.

14 **§11-J Comprehensive public-funded candidates; reporting.**

15 (a) A certified candidate and the certified candidate's
16 committee shall furnish complete campaign records to the
17 commission, including all records of seed money contributions,
18 qualifying contributions, and expenditures. A certified
19 candidate shall fully cooperate with any audit or examination by
20 the commission.



1 (b) The reporting requirements for certified candidates
2 under this subpart, or as may be required by the commission,
3 shall be in addition to any other reporting requirement under
4 this part.

5 (c) All reports required by subpart D, seed money reports,
6 and post-election reports shall be filed with the commission.

7 (d) Seed money reports shall be filed with the commission
8 no later than:

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

12 (e) Each report shall be current through:

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

20 (f) The seed money reports shall include:

- 21 (1) The candidate committee's name and address;



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



1 be itemized to permit a reasonable person to determine
2 the ultimate intended recipient of the expenditure and
3 its purpose; and

4 (3) The amount, date of deposit, and description of other
5 receipts, and the name and address of the source of
6 each of the other receipts.

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

19 (i) All certified candidates shall file the reports
20 required under this subpart by electronic means in the manner
21 prescribed by the commission.



1 **§11-K Deposit of, and access to, public funds.** (a) All
2 public funds and seed money received by a certified candidate
3 shall be deposited directly into a depository institution as
4 provided under section 11-351(a) and accessed through the use of
5 debit cards and bank checks. No expenditure of public funds
6 received under this subpart shall be made except by debit cards
7 or checks drawn on a checking account.

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

12 **§11-L Deposit of money into the Hawaii election campaign**
13 **fund's subfund for the comprehensive public funding program.**

14 The following moneys shall be deposited into the Hawaii election
15 campaign fund established under section 11-421:

- 16 (1) Appropriations made by the legislature for the
17 purposes of this subpart;
- 18 (2) Excess seed money contributions;
- 19 (3) Qualifying contributions, including any excess
20 qualifying contributions of certified candidates;



1 (4) Unspent public funds distributed to any certified
2 candidate;

3 (5) Fines levied by the commission for violation of this
4 subpart; and

5 (6) Voluntary donations made for the purposes of this
6 subpart.

7 **§11-M Violations; penalties.** Any candidate who knowingly
8 attempts to fraudulently qualify for or receive public funding
9 shall:

10 (1) Have the candidate's certification for comprehensive
11 public funding revoked. Upon revocation of
12 certification, the certified candidate shall repay all
13 public funds received within ten business days to the
14 Hawaii election campaign fund's subfund for the
15 comprehensive public funding program; and

16 (2) Be subject to fines and penalties as specifically
17 provided in this subpart and other fines or penalties
18 pursuant to sections 11-410 and 11-412 and the Hawaii
19 penal code.

20 **§11-N Forms; receipts; candidate guide and trainings.** The
21 campaign spending commission shall create and publish all forms



1 and receipts required to operate the comprehensive public
2 funding program. The commission shall create and publish a
3 candidates' guide to the comprehensive public funding program
4 that shall include an explanation of rules and procedures
5 applicable to candidates and shall be updated annually.

6 Prior to the 2028 general election year and any subsequent
7 general election year for which the comprehensive public funding
8 program shall be operative, the commission shall provide at
9 least four trainings on the program for candidates and other
10 interested individuals.

11 **§11-0 Sufficiency of funding for the comprehensive public**
12 **funding program.** On September 1 of each odd-numbered year
13 preceding a general election year, the commission shall
14 determine whether there is a minimum of \$30,000,000 in the
15 Hawaii election campaign fund's subfund for the comprehensive
16 public funding program established under section 11-421 to
17 certify candidates during the next election and provide funding
18 for the comprehensive public funding program authorized under
19 this subpart.

20 Within five business days of the commission's
21 determination, the commission shall publish a notice statewide,



1 pursuant to section 1-28.5, stating whether the comprehensive
2 public funding program shall become effective on January 1 of
3 the following year. If there is insufficient funding, this
4 subpart shall be inoperative for that general election year."

5 SECTION 3. Section 11-421, Hawaii Revised Statutes, is
6 amended by amending subsections (b) and (c) to read as follows:

7 "(b) The fund shall consist of:

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

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

12 (3) All moneys designated for deposit into the subfund for
13 the comprehensive public funding program pursuant to
14 section 11-L; and

15 ~~(3)~~ (4) Other moneys collected pursuant to this part.

16 (c) Moneys in the fund shall be paid to candidates by the
17 comptroller as prescribed in ~~section~~ sections 11-431 and 11-H
18 and may be used for the commission's operating expenses,
19 including staff salaries and fringe benefits."

20 SECTION 4. The campaign spending commission shall submit a
21 progress report of its findings and recommendations, including



1 any proposed legislation that may be necessary to facilitate the
2 implementation of this Act, to the legislature no later than
3 forty days prior to the convening of the regular sessions of
4 2025, 2026, and 2027.

5 SECTION 5. The campaign spending commission shall submit a
6 final report of its findings and recommendations, including any
7 proposed legislation that may be necessary to facilitate the
8 implementation of this Act, to the legislature no later than
9 forty days prior to the convening of the 2028 regular session.

10 SECTION 6. In accordance with section 9 of article VII of
11 the Hawaii State Constitution and sections 37-91 and 37-93,
12 Hawaii Revised Statutes, the legislature has determined that the
13 appropriations contained in Act 164, Regular Session of 2023,
14 and this Act will cause the state general fund expenditure
15 ceiling for fiscal year 2024-2025 to be exceeded by
16 \$ or per cent. This current declaration takes
17 into account general fund appropriations authorized for fiscal
18 year 2024-2025 in Act 164, Regular Session of 2023, and this Act
19 only. The reasons for exceeding the general fund expenditure
20 ceiling are that:



1 (1) The appropriation made in this Act is necessary to
2 serve the public interest; and

3 (2) The appropriation made in this Act meets the needs
4 addressed by this Act.

5 SECTION 7. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$200,000 or so much
7 thereof as may be necessary for fiscal year 2024-2025 for
8 deposit into the Hawaii election campaign fund established under
9 section 11-421, Hawaii Revised Statutes.

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

12 SECTION 8. There is appropriated out of the Hawaii
13 election campaign fund established under section 11-421, Hawaii
14 Revised Statutes, the sum of \$200,000 or so much thereof as may
15 be necessary for fiscal year 2024-2025 to commence planning and
16 preparation for operating a comprehensive public funding of
17 candidates program in 2028, including the hiring of two-full
18 time equivalent (2.0 FTE) temporary employees.

19 The sum appropriated shall by expended by the campaign
20 spending commission for the purposes of this Act.



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

5 SECTION 10. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 11. This Act shall take effect on July 1, 2024.

8

INTRODUCED BY: _____

Karl Rhoads



S.B. NO. 2381

Report Title:

Comprehensive Public Funding; CSC; Report to Legislature;
Expenditure Ceiling; Appropriation

Description:

Establishes a comprehensive system of public financing for all candidates seeking election to state and county public offices in the State of Hawaii, to begin with the 2028 general election year. Requires the Campaign Spending Commission to submit a progress and final report to the Legislature. Makes an appropriation.

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

