

STAND. COM. REP. NO. 2198

Honolulu, Hawaii

FEB 08 2024

RE: S.B. No. 2381
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 2381 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC FINANCING FOR CANDIDATES TO ELECTED OFFICE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a comprehensive system of public financing for all candidates seeking election to state and county public offices in the State, beginning with the 2028 general election year;
- (2) Require the Campaign Spending Commission to submit a progress and final report to the Legislature;
- (3) Appropriate funds to a designated sub-fund within the Hawai'i Election Campaign Fund to support a comprehensive system of public financing; and
- (4) Appropriate funds from the designated sub-fund within the Hawai'i Election Campaign Fund to the Campaign Spending Commission to fund planning and preparation, including two temporary staff, for operating a comprehensive public fund for candidates program in 2028.



Your Committee received testimony in support of this measure from the Campaign Spending Commission; one member of the Hawai'i County Council; ACLU of Hawai'i; Our Hawai'i; Democratic Party of Hawai'i; Public Citizen; Chamber of Sustainable Commerce; Sierra Club of Hawai'i; Hope Services Hawaii; Lāhainā Strong; Campaign Legal Center; Recycle Hawaii, Clean the Pacific; HULI PAC; Indivisible Hawaii; League of Women Voters of Hawaii; Green Party of Hawai'i; Free Access Coalition; Americans for Democratic Action Hawai'i; We Are One, Inc.; Kihei Community Association; 350 Hawaii.org; Hawaii Alliance for Progressive Action; and more than two hundred twenty individuals.

Your Committee received testimony in opposition to this measure from nine individuals.

Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that providing a mechanism to fully fund the elections of candidates for state and county offices who voluntarily agree to abide by campaign fundraising and expenditure guidelines will have significant public benefit. Comprehensive publicly-funded campaign programs are intended to improve the process by allowing candidates to compete without reliance on private funds and by also allowing elected officials to make decisions without the influence, or appearance thereof, of private individuals, lobbyists, political parties, political action committees, unions, corporations, and other entities. The State became a leader in public funding programs when it added language to the Hawai'i State Constitution in 1978 that established the partial public funding program, which candidates continue to use today. Other comprehensive public financing programs, sometimes termed "clean elections", were established in 1996 in Maine, in 1998 in Arizona, and have since also been adopted in Connecticut and New Mexico. This measure will increase public confidence in the State's candidates and elected officials by establishing a comprehensive program to publicly fund candidates in the State.

Your Committee has amended this measure by:

- (1) Replacing the terms "subfund" or "sub-fund" with "subaccount" throughout the measure in reference to the



separate designation of funds within the Hawaii Election Campaign Fund for the Comprehensive Public Funding Program;

- (2) Clarifying that the program's name is the Comprehensive Public Financing Program;
- (3) Clarifying that an electronic form may be used for providing a contributor's information to the Campaign Spending Commission;
- (4) Requiring candidates to return all unexpended public funds received within thirty days after the election in which the candidate was successful, similar to other provisions requiring candidates to return unexpended public funds when they prevail in the general election, are unsuccessful, or have no opponents;
- (5) Clarifying that certain moneys be deposited into the Comprehensive Public Financing Program's subaccount of the Hawaii Election Campaign Fund;
- (6) Amending section 1 to reflect its amended purpose; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2381, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2381, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



