
A BILL FOR AN ACT

RELATING TO CAMPAIGN FUNDS.

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

1 SECTION 1. The legislature finds that the house of
2 representatives adopted House Resolution No. 9, Regular Session
3 of 2022, to establish the commission to improve standards of
4 conduct. The resolution requests that the commission ensure
5 state laws and rules relating to standards of conduct of public
6 officers and employees contain clear standards, enforcement, and
7 penalties and provide recommendations to increase awareness of,
8 compliance with, and deterrent effects of the code of ethics,
9 lobbying laws, campaign finance laws, and other relevant laws
10 and rules.

11 Pursuant to House Resolution No. 9, the commission to
12 improve standards of conduct convened regularly throughout 2022
13 to diligently review, discuss, and consider the issues
14 presented; submit an interim report to the house of
15 representatives outlining areas of immediate and long-term
16 focus; receive input from the public and invited individuals and



1 agencies; and issue a final report with various recommendations
2 and accompanying proposed legislation.

3 The legislature also finds that the strength and stability
4 of our democratic government rely upon the public's trust in
5 government institutions, including the expectation that officers
6 act ethically with prudence, integrity, and sound judgement.
7 Therefore, an essential goal of the commission was to provide
8 recommendations that would help restore public trust in state
9 government and increase the level of transparency in its
10 operations and accountability of individuals.

11 Accordingly, the purpose of this Act is to implement
12 recommendations of the commission to improve standards of
13 conduct relating to the expenditure of campaign funds by
14 limiting the permitted uses of these funds to only those
15 purposes that are directly related to the campaigns of
16 candidates.

17 SECTION 2. Section 11-327, Hawaii Revised Statutes, is
18 amended by amending subsection (c) to read as follows:

19 "(c) A ballot issue committee shall return all surplus
20 funds to the contributors [~~or donate funds to a community~~
21 ~~service, educational, youth, recreational, charitable,~~



1 ~~scientific, or literary organization]~~ within ninety days after
2 the election for which the issue appeared on the ballot.
3 Surplus funds that are not returned [~~or donated~~] within ninety
4 days after the election for which the issue appeared on the
5 ballot shall escheat to the Hawaii election campaign fund."

6 SECTION 3. Section 11-381, Hawaii Revised Statutes, is
7 amended by amending subsection (a) read as follows:

8 "(a) Campaign funds may be used by a candidate, treasurer,
9 or candidate committee:

10 (1) For any purpose directly related:

11 (A) In the case of the candidate, to the candidate's
12 own campaign; or

13 (B) In the case of a candidate committee or treasurer
14 of a candidate committee, to the campaign of the
15 candidate, question, or issue with which they are
16 directly associated;

17 (2) To purchase or lease consumer goods, vehicles,
18 equipment, and services that provide a mixed benefit
19 to the candidate[~~—The~~]; provided that the
20 candidate [~~—however,~~] shall reimburse the candidate's



1 candidate committee for the candidate's personal use
2 of these items unless the personal use is de minimis;

3 (3) To make donations to any community service,
4 educational, youth, recreational, charitable,
5 scientific, or literary organization; provided that in
6 any election period, the total amount of all donations
7 shall be no more than twice the maximum amount that
8 one person may contribute to that candidate pursuant
9 to section 11-357; provided further that no donations
10 shall be made from the date the candidate files
11 nomination papers to the date of the general election
12 unless the candidate is:

13 (A) Declared to be duly and legally elected to the
14 office for which the person is a candidate
15 pursuant to section 12-41;

16 (B) Deemed and declared to be duly and legally
17 elected to the office for which the person is a
18 candidate pursuant to section 12-42; or

19 (C) Unsuccessful in the primary or special primary
20 election;



- 1 (4) To make donations to any public school or public
2 library; provided that in any election period, the
3 total amount of all contributions shall be no more
4 than twice the maximum amount that one person may
5 contribute to that candidate pursuant to section 11-
6 357; provided further that any donation under this
7 paragraph shall not be aggregated with or imputed
8 toward any limitation on donations pursuant to
9 paragraph (3);
- 10 (5) To award scholarships to full-time students attending
11 an institution of higher education or a vocational
12 education school in a program leading to a degree,
13 certificate, or other recognized educational
14 credential; provided that in any election period, the
15 total amount of all scholarships awarded shall be no
16 more than twice the maximum amount that one person may
17 contribute to that candidate pursuant to section 11-
18 357; provided further that no awards shall be made
19 from the filing deadline for nomination papers to the
20 date of the general election unless the candidate is:



1 (A) Declared to be duly and legally elected to the
2 office for which the person is a candidate
3 pursuant to section 12-41;

4 (B) Deemed and declared to be duly and legally
5 elected to the office for which the person is a
6 candidate pursuant to section 12-42; or

7 (C) Unsuccessful in the primary or special primary
8 election;

9 ~~[(6) To purchase not more than two tickets for each event~~
10 ~~held by another candidate or committee, regardless of~~
11 ~~whether the event constitutes a fundraiser as defined~~
12 ~~in section 11-342;~~

13 ~~[(7)]~~ (6) To make contributions to the candidate's party so
14 long as the contributions are not earmarked for
15 another candidate; ~~[or]~~

16 ~~[(8)]~~ (7) To pay for ordinary and necessary expenses
17 incurred in connection with the candidate's duties as
18 a holder of an office, including expenses incurred for
19 memberships in civic or community groups~~[-]~~; or

20 (8) To make contributions to another candidate in an
21 amount of not more than \$2,000 per election period.



1 For the purposes of this paragraph, "election period"
2 shall have the same meaning as in section 11-302."

3 SECTION 4. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 5. This Act shall take effect on March 22, 2075.



Report Title:

Commission to Improve Standards of Conduct; Campaign Funds;
Permitted Uses

Description:

Disallows a ballot issue committee to donate surplus funds to a community service, educational, youth, recreational, charitable, scientific, or literary organization. Disallows the use of campaign funds to purchase up to two tickets for an event or fundraiser held by another candidate or committee. Allows a candidate, treasurer, or candidate committee to make contributions to another candidate in an amount of not more than \$2,000 per election period. Takes effect 3/22/2075. (SD1)

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

