
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) Establish a comprehensive system of public financing
2 for all candidates seeking election to state and
3 county public offices in the State, beginning with the
4 2028 general election year;

5 (2) Appropriate funds to a designated subaccount within
6 the Hawai'i election campaign fund to support a
7 comprehensive system of public financing; and

8 (3) Appropriate funds from the designated subaccount
9 within the Hawai'i election campaign fund to the
10 campaign spending commission to fund planning and
11 preparation, including two temporary staff, for
12 operating a comprehensive public fund for candidates
13 program in 2028.

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

17 " . Comprehensive Public Funding for Candidates to State
18 and County Offices

19 **§11-A Purpose.** The purpose of the comprehensive public
20 financing program, which is a voluntary program, is to improve
21 the electoral process for state and local offices by:



- 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 subaccount 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 subaccount 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 in both physical and electronic formats by the
3 commission that includes:

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

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

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



- 1 (1) For the office of governor – 6,250 qualifying
2 contributions;
- 3 (2) For the office of lieutenant governor – three thousand
4 qualifying contributions;
- 5 (3) For the office of state senator – two hundred fifty
6 qualifying contributions;
- 7 (4) For the office of state representative – one hundred
8 twenty-five qualifying contributions;
- 9 (5) For the office of Hawaiian affairs – one hundred
10 qualifying contributions;
- 11 (6) For the office of mayor of a county with a population
12 of five hundred thousand or more – 5,750 qualifying
13 contributions;
- 14 (7) For the office of mayor of a county with a population
15 of not less than 195,000 but not more than 499,999 –
16 nine hundred qualifying contributions;
- 17 (8) For the office of mayor of a county with a population
18 of not less than one hundred fifty thousand but not
19 more than 194,999 – one thousand five hundred
20 qualifying contributions;



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



1 (15) For the office of county council of a county with a
2 population of not less than 195,000 but not more than
3 499,999 – fifty qualifying contributions;

4 (16) For the office of county council of a county with a
5 population of not less than one hundred fifty thousand
6 but not more than 194,999 – one hundred thirty-eight
7 qualifying contributions; and

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

11 (c) No qualifying contribution shall be collected prior to
12 a candidate filing a declaration of intent to seek comprehensive
13 public funding with the commission. A contribution received
14 before the filing of a declaration of intent to seek public
15 funds shall not be considered a qualifying contribution.

16 (d) Any receipt for a qualifying contribution shall be
17 made in a form prescribed by the commission pursuant to section
18 11-N.

19 (e) All qualifying contributions collected by a candidate,
20 whether or not the candidate is certified, shall be deposited



1 into the Hawaii election campaign fund's subaccount for the
2 comprehensive public funding program.

3 (f) The application for certification shall be submitted
4 to the commission no later than thirty days before the primary
5 election and shall be signed by the candidate and the
6 candidate's campaign treasurer under penalty of perjury. The
7 application shall contain any other information deemed necessary
8 by the commission.

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

13 **§11-G Certification of qualification for comprehensive**
14 **public funds.** (a) The commission, in coordination with the
15 clerk for the county that includes the district from which
16 election is sought, shall verify that the candidate received the
17 minimum required qualifying contributions from registered voters
18 in the district from which the candidate seeks office, that the
19 candidate resides in the district from which election is sought
20 as of the date of the filing of nomination papers, and that the
21 candidate is a registered voter in the district from which



1 election is sought. The clerk for the county that includes the
2 district from which election is sought shall provide to the
3 commission the information needed for verification, including
4 the names, addresses, dates of birth, and signatures of
5 registered voters in that district.

6 (b) The commission shall issue a decision to certify or
7 deny the certification of a candidate as a comprehensive
8 publicly-funded candidate within ten business days following
9 receipt of the candidate's completed application for
10 certification to receive comprehensive public funds.

11 (c) After a candidate is certified, the candidate's
12 certification shall apply to both the primary and the general
13 elections.

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

18 **§11-H Comprehensive public funds to be distributed to**
19 **certified candidates.** (a) Each certified candidate who has an
20 opponent in the primary election and an opponent in the general
21 election shall receive the following amounts of public funding,



1 as adjusted pursuant to subsection (d), and distributed at a
2 rate of sixty-seven per cent for the primary election and
3 thirty-three per cent for the general election:

- 4 (1) For the office of governor – \$1,675,000 in the
5 primary, \$825,000 in the general, for a maximum of
6 \$2,500,000;
- 7 (2) For the office of lieutenant governor – \$804,000 in
8 the primary, \$396,000 in the general, for a maximum of
9 \$1,200,000;
- 10 (3) For the office of state senator – \$67,000 in the
11 primary, \$33,000 in the general, for a maximum of
12 \$100,000;
- 13 (4) For the office of state representative – \$33,500 in
14 the primary, \$16,500 in the general, for a maximum of
15 \$50,000;
- 16 (5) For the office of Hawaiian affairs – \$26,800 in the
17 primary, \$13,200 in the general, for a maximum of
18 \$40,000;
- 19 (6) For the office of mayor of a county with a population
20 of five hundred thousand or more – \$1,541,000 in the



1 primary, \$759,000 in the general, for a maximum of
2 \$2,300,000;

3 (7) For the office of mayor of a county with a population
4 of not less than 195,000 but not more than 499,999 –
5 \$241,200 in the primary, \$118,800 in the general, for
6 a maximum of \$360,000;

7 (8) For the office of mayor of a county with a population
8 of not less than one hundred fifty thousand but not
9 more than 194,999 – \$402,000 in the primary, \$198,000
10 in the general, for a maximum of \$600,000;

11 (9) For the office of mayor of a county with a population
12 of less than one hundred fifty thousand – \$234,500 in
13 the primary, \$115,500 in the general, for a maximum of
14 \$350,000;

15 (10) For the office of prosecuting attorney of a county
16 with a population of five hundred thousand or more –
17 \$150,750 in the primary, \$74,250 in the general, for a
18 maximum of \$225,000;

19 (11) For the office of prosecuting attorney of a county
20 with a population of not less than 195,000 but not



- 1 more than 499,999 – \$26,800 in the primary, \$13,200 in
2 the general, for a maximum of \$40,000;
- 3 (12) For the office of prosecuting attorney of a county
4 with a population of not less than one hundred fifty
5 thousand but not more than 194,999 – \$26,800 in the
6 primary, \$13,200 in the general, for a maximum of
7 \$40,000;
- 8 (13) For the office of prosecuting attorney of a county
9 with a population of less than one hundred fifty
10 thousand – \$16,750 in the primary, \$8,250 in the
11 general, for a maximum of \$25,000;
- 12 (14) For the office of county council of a county with a
13 population of five hundred thousand or more – \$90,450
14 in the primary, \$44,550 in the general, for a maximum
15 of \$135,000;
- 16 (15) For the office of county council of a county with a
17 population of not less than 195,000 but not more than
18 499,999 –\$13,400 in the primary, \$6,600 in the
19 general, for a maximum of \$20,000;
- 20 (16) For the office of county council of a county with a
21 population of not less than one hundred fifty thousand



1 or more and less than 195,000 – \$36,850 in the
2 primary, \$18,150 in the general, for a maximum of
3 \$55,000; and

4 (17) For the office of county council of a county with a
5 population of less than one hundred fifty thousand –
6 \$20,100 in the primary, \$9,900 in the general, for a
7 maximum of \$30,000.

8 Any certified candidate who is unopposed in the primary election
9 shall receive thirty per cent of the primary allotment above;
10 provided that the certified candidate shall have a general
11 election opponent. Certified candidates who are unopposed in
12 the general election shall not receive the general election
13 allotment above.

14 (b) Upon the certification for comprehensive public
15 funding, the commission shall direct the comptroller to
16 distribute the public funds allowed by this section from the
17 Hawaii election campaign fund's subaccount for the comprehensive
18 public funding program by check, or when possible, by an
19 automatic transfer of funds. Public funds for the primary
20 election shall be distributed to the candidate within twenty
21 days from the date that the candidate's initial application and



1 qualifying contribution statement is approved by the commission
2 and, for the general election, within ten days after the date of
3 the primary election.

4 (c) The commission shall be under no obligation to provide
5 moneys to a certified candidate if moneys in the Hawaii election
6 campaign fund's subaccount for the comprehensive public funding
7 program are near depletion as determined by the commission
8 pursuant to section 11-0.

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

17 **§11-I Certified candidates; continuing obligation;**
18 **restrictions; penalties.** (a) A certified candidate shall
19 comply with this subpart through the end of the general election
20 campaign period, regardless of whether the certified candidate



1 maintains eligibility for public funding in the general election
2 campaign period.

3 (b) Upon certification for comprehensive public funding
4 and through the end of the general election campaign period, a
5 certified candidate shall not accept any money for campaign
6 purposes, except public funds issued by the commission.
7 Contributions and loans from any person and any campaign
8 material purchased or held from a date before filing the
9 declaration of intent to seek comprehensive public funds shall
10 not be accepted.

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



1 campaign. Public funds shall not be expended outside the
2 applicable campaign period.

3 (d) A certified candidate who is elected to the office
4 sought shall continue to be subject to the contribution and
5 expenditure restrictions of subsections (b) and (c) and shall
6 comply with other provisions of this subpart for the duration of
7 the term in office to which the candidate was elected. An
8 elected certified candidate who intends to seek office in the
9 next general election and apply for comprehensive public funding
10 may raise and spend seed money for the next election in
11 compliance with section 11-E; provided that the candidate
12 notifies the commission in writing of their intent to seek
13 reelection. An elected certified candidate who intends to seek
14 office in the next general election and will not apply for
15 comprehensive public funding, upon notification in writing to
16 the commission of their intent, shall no longer be subject to
17 the contribution and expenditure restrictions of subsections (b)
18 and (c) in the next general election, effective January 1 of the
19 next general election year. In either case, the candidate shall
20 return all unexpended public funds received to the Hawaii
21 election campaign fund's subaccount for the comprehensive public



1 funding program within thirty days after the election in which
2 the candidate was successful.

3 (e) If a certified candidate withdraws from seeking the
4 nomination for or from the election, all unexpended public funds
5 received by the candidate under this subpart shall be returned
6 to the Hawaii election campaign fund's subaccount for the
7 comprehensive public funding program within thirty days after
8 the candidate's withdrawal.

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



1 subaccount for the comprehensive public funding program within
2 thirty days after the primary election.

3 (g) A certified candidate who is not successful in the
4 primary or general election shall return all unexpended public
5 funds received under this subpart to the Hawaii election
6 campaign fund's subaccount for the comprehensive public funding
7 program within thirty days after the election in which the
8 candidate was not successful.

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

15 (i) A certified candidate who makes expenditures of more
16 than one hundred per cent of the public funds allocated to the
17 candidate shall repay to the Hawaii election campaign fund's
18 subaccount for the comprehensive public funding program an
19 amount equal to three times the excess expenditures.

20 **§11-J Comprehensive public-funded candidates; reporting.**

21 (a) A certified candidate and the certified candidate's



1 committee shall furnish complete campaign records to the
2 commission, including all records of seed money contributions,
3 qualifying contributions, and expenditures. A certified
4 candidate shall fully cooperate with any audit or examination by
5 the commission.

6 (b) The reporting requirements for certified candidates
7 under this subpart, or as may be required by the commission,
8 shall be in addition to any other reporting requirement under
9 this part.

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

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

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

17 (e) Each report shall be current through:

18 (1) The six-month period ending on December 31 for the
19 report filed on January 31;

20 (2) The three-month period ending on March 31 for the
21 report filed on April 30; and



1 (3) Thirty days prior to the primary election for the
2 report filed twenty days prior to the primary
3 election.

4 (f) The seed money reports shall include:

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

6 (2) The amount of cash on hand at the beginning of the
7 reporting period;

8 (3) The reporting period and aggregate total for each of
9 the following categories:

10 (A) Contributions;

11 (B) Expenditures; and

12 (C) Other receipts; and

13 (4) The cash on hand at the end of the reporting period.

14 (g) Schedules filed with the seed money reports shall also
15 include:

16 (1) The amount and date of deposit of each contribution
17 and the name and address of each contributor who makes
18 contributions aggregating more than \$100 in an
19 election period; provided that if all the information
20 is not on file, the contribution shall be returned to
21 the contributor within thirty days of deposit;



1 (2) All expenditures made, including the name and address
2 of each payee and the amount, date, and purpose of
3 each expenditure. Expenditures for consultants,
4 advertising agencies and similar firms, credit card
5 payments, salaries, and candidate reimbursements shall
6 be itemized to permit a reasonable person to determine
7 the ultimate intended recipient of the expenditure and
8 its purpose; and

9 (3) The amount, date of deposit, and description of other
10 receipts, and the name and address of the source of
11 each of the other receipts.

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



1 permit a reasonable person to determine the ultimate intended
2 recipient of the expenditure and its purpose.

3 (i) All certified candidates shall file the reports
4 required under this subpart by electronic means in the manner
5 prescribed by the commission.

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

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

17 **§11-L Deposit of money into the Hawaii election campaign**
18 **fund's subaccount for the comprehensive public funding program.**

19 The following moneys shall be deposited into the subaccount of
20 the Hawaii election campaign fund established under section 11-
21 421:



- 1 (1) Appropriations made by the legislature for the
2 purposes of this subpart;
- 3 (2) Excess seed money contributions;
- 4 (3) Qualifying contributions, including any excess
5 qualifying contributions of certified candidates;
- 6 (4) Unspent public funds distributed to any certified
7 candidate;
- 8 (5) Fines levied by the commission for violation of this
9 subpart; and
- 10 (6) Voluntary donations made for the purposes of this
11 subpart.

12 **§11-M Violations; penalties.** Any candidate who knowingly
13 attempts to fraudulently qualify for or receive public funding
14 shall:

- 15 (1) Have the candidate's certification for comprehensive
16 public funding revoked. Upon revocation of
17 certification, the certified candidate shall repay all
18 public funds received within ten business days to the
19 Hawaii election campaign fund's subaccount for the
20 comprehensive public funding program; and



1 (2) Be subject to fines and penalties as specifically
2 provided in this subpart and other fines or penalties
3 pursuant to sections 11-410 and 11-412 and the Hawaii
4 Penal Code.

5 **§11-N Forms; receipts; candidate guide and trainings.** The
6 commission shall create and publish all forms and receipts
7 required to operate the comprehensive public funding program.
8 The commission shall create and publish a candidates' guide to
9 the comprehensive public funding program that shall include an
10 explanation of rules and procedures applicable to candidates and
11 shall be updated annually.

12 Prior to the 2028 general election year and any subsequent
13 general election year for which the comprehensive public funding
14 program shall be operative, the commission shall provide at
15 least four trainings on the program for candidates and other
16 interested individuals.

17 **§11-O Sufficiency of funding for the comprehensive public**
18 **funding program.** On September 1 of each odd-numbered year
19 preceding a general election year, the commission shall
20 determine whether there is a minimum of \$30,000,000 in the
21 Hawaii election campaign fund's subaccount for the comprehensive



1 public funding program established under section 11-421 to
2 certify candidates during the next election and provide funding
3 for the comprehensive public funding program authorized under
4 this subpart.

5 Within five business days of the commission's
6 determination, the commission shall publish a notice statewide,
7 pursuant to section 1-28.5, stating whether the comprehensive
8 public funding program shall become effective on January 1 of
9 the following year. If there is insufficient funding, this
10 subpart shall be inoperative for that general election year."

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

13 "(b) The fund shall consist of:

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

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

18 (3) All moneys designated for deposit into the subaccount
19 for the comprehensive public funding program pursuant
20 to section 11-L; and

21 [~~(3)~~] (4) Other moneys collected pursuant to this part.



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

5 SECTION 4. The campaign spending commission shall submit a
6 progress report of its findings and recommendations, including
7 any 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 regular sessions of
10 2025, 2026, and 2027.

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

16 SECTION 6. In accordance with section 9 of article VII of
17 the Hawaii State Constitution and sections 37-91 and 37-93,
18 Hawaii Revised Statutes, the legislature has determined that the
19 appropriations contained in Act 164, Regular Session of 2023,
20 and this Act will cause the state general fund expenditure
21 ceiling for fiscal year 2024-2025 to be exceeded by



1 \$ or per cent. This current declaration takes
2 into account general fund appropriations authorized for fiscal
3 year 2024-2025 in Act 164, Regular Session of 2023, and this Act
4 only. The reasons for exceeding the general fund expenditure
5 ceiling are that:

- 6 (1) The appropriation made in this Act is necessary to
7 serve the public interest; and
8 (2) The appropriation made in this Act meets the needs
9 addressed by this Act.

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

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



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

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

7 SECTION 10. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

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



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. Declares that the general fund expenditure ceiling is exceeded. Makes an appropriation. (SD1)

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

