

ACT 122

H.B. NO. 463

A Bill for an Act Relating to Elections.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that the current state of politics and public mistrust in government necessitate the enactment of more rigorous campaign disclosure laws. The legislature firmly believes that it is clear that the State has sufficiently important government interests in an informed electorate, deterring corruption and the appearance of corruption, and gathering the data necessary to detect campaign spending violations. Campaign disclosure requirements directly serve these sufficiently important government interests.

The legislature further finds that in the seminal case on campaign finance law, *Buckley v. Valeo*, 424 U.S. 1 (1976), the United States Supreme Court acknowledged the sufficiently important government interest in ensuring that voters are fully informed through campaign spending disclosure requirements. The United States Supreme Court also acknowledged that campaign spending disclosure requirements directly serve the sufficiently important government interests of deterring corruption and the appearance of corruption as well as gathering the data necessary to detect campaign spending violations.

The legislature also finds that the State's existing campaign finance laws fail to reveal the source of campaign expenditures for noncandidate committees when the expenditures are under \$1,000. Because of this arbitrary limit, there is a lack of transparency that fails to inform the public about who is trying to influence an election.

The legislature further finds that the current campaign expenditure disclosure threshold of \$1,000 makes it easy to evade campaign spending reporting laws since noncandidate committees that expend just under the \$1,000 threshold do not need to file organizational reports. For example, a noncandidate committee that expends \$999, which is a significant amount for expenditures, is not required to report those expenditures under existing law, therefore those expenses go unreported. This Act would prevent noncandidate committees from evading campaign spending reporting laws for such expenditure amounts.

Therefore, the purpose of this Act is to enhance transparency and prevent noncandidate committees from evading campaign spending reporting laws by lowering the threshold for disclosure of campaign expenditures to \$500, thus providing greater accountability and public awareness.

SECTION 2. Section 11-321, Hawaii Revised Statutes, is amended by amending subsection (g) to read as follows:

“(g) The organizational report for a noncandidate committee shall be filed within ten days of receiving contributions or making or incurring expenditures of more than [~~\$1,000,~~] \$500, in the aggregate, in a two-year election period; provided that within the thirty-day period [~~prior to~~] before an election, a noncandidate committee shall register by filing an organizational report within two days of receiving contributions or making or incurring expenditures of more than [~~\$1,000,~~] \$500, in the aggregate, in a two-year election period.”

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

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

SECTION 5. This Act shall take effect upon its approval.

(Approved June 23, 2023.)