

JAN 25 2023

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 (2022) to
3 establish the commission to improve standards of conduct. The
4 resolution requests the commission ensure state laws and rules
5 relating to standards of conduct of public officers and
6 employees contain clear standards, enforcement, and penalties
7 and provide recommendations to increase awareness of, compliance
8 with, and deterrent effects of the code of ethics, lobbying
9 laws, campaign finance laws, and other relevant laws and rules.

10 Pursuant to House Resolution No. 9, the commission to
11 improve standards of conduct convened regularly throughout 2022
12 to diligently review, discuss, and consider the issues
13 presented, submitted an interim report to the house of
14 representatives outlining areas of immediate and long-term
15 focus, then continued its work with input from the public and
16 invited individuals and agencies to issue a final report with
17 various recommendations and accompanying proposed legislation.



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

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

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

17 "(c) A ballot issue committee shall return all surplus
18 funds to the contributors [~~or donate funds to a community~~
19 ~~service, educational, youth, recreational, charitable,~~
20 ~~scientific, or literary organization]~~ within ninety days after
21 the election for which the issue appeared on the ballot.



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

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

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

8 (1) For any purpose directly related:

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

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

15 (2) To purchase or lease consumer goods, vehicles,
16 equipment, and services that provide a mixed benefit
17 to the candidate. The candidate, however, shall
18 reimburse the candidate's candidate committee for the
19 candidate's personal use of these items unless the
20 personal use is de minimis;



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

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

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

17 ~~(C) Unsuccessful in the primary or special primary~~
18 ~~election;~~

19 ~~(4) To make donations to any public school or public~~
20 ~~library; provided that in any election period, the~~
21 ~~total amount of all contributions shall be no more~~



1 ~~than twice the maximum amount that one person may~~
2 ~~contribute to that candidate pursuant to section 11-~~
3 ~~357; provided further that any donation under this~~
4 ~~paragraph shall not be aggregated with or imputed~~
5 ~~toward any limitation on donations pursuant to~~
6 ~~paragraph (3);~~

7 ~~(5) To award scholarships to full-time students attending~~
8 ~~an institution of higher education or a vocational~~
9 ~~education school in a program leading to a degree,~~
10 ~~certificate, or other recognized educational~~
11 ~~credential; provided that in any election period, the~~
12 ~~total amount of all scholarships awarded shall be no~~
13 ~~more than twice the maximum amount that one person may~~
14 ~~contribute to that candidate pursuant to section 11-~~
15 ~~357; provided further that no awards shall be made~~
16 ~~from the filing deadline for nomination papers to the~~
17 ~~date of the general election unless the candidate is:~~
18 ~~(A) Declared to be duly and legally elected to the~~
19 ~~office for which the person is a candidate~~
20 ~~pursuant to section 12-41;~~



- 1 ~~(B) Deemed and declared to be duly and legally~~
2 ~~elected to the office for which the person is a~~
3 ~~candidate pursuant to section 12-42; or~~
4 ~~(C) Unsuccessful in the primary or special primary~~
5 ~~election;~~
6 ~~(6) To purchase not more than two tickets for each event~~
7 ~~held by another candidate or committee, regardless of~~
8 ~~whether the event constitutes a fundraiser as defined~~
9 ~~in section 11-342;]~~
10 [~~(7)~~] (3) To make contributions to the candidate's party so
11 long as the contributions are not earmarked for
12 another candidate; or
13 [~~(8)~~] (4) To pay for ordinary and necessary expenses
14 incurred in connection with the candidate's duties as
15 a holder of an office, including expenses incurred for
16 memberships in civic or community groups."

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



S.B. NO. 1425

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

2

INTRODUCED BY: *Paul M. M.*
By Request



S.B. NO. 1425

Report Title:

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

Description:

Limits the permitted uses of campaign funds to only those purposes that are directly related to the campaigns of candidates.

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

