

Honolulu, Hawaii

FEB 06 2025

RE: S.B. No. 345
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 345 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC FINANCING,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the amount of matching campaign funds available for candidates who participate in the Partial Public Financing Program and ensure adequate funding for the Program by:

- (1) Raising the cap on the maximum amount of matching funds available to candidates, to sixty-seven percent of the expenditure limit;
- (2) Increasing by twenty percent the cap on the amount of expenditures a candidate can make;
- (3) Increasing the matching fund ratio from \$1 for each \$1 of qualifying contributions raised by a candidate to \$2 for each \$1 of qualifying contributions raised in excess of the minimum qualifying contributions that a candidate must raise to participate in the program; and
- (4) Appropriating funds from the General Fund to the Election Campaign Fund to fund the Partial Public Financing Program.



Your Committee received testimony in support of this measure from the Campaign Spending Commission, Office of Hawaiian Affairs, League of Women Voters of Hawaii, Green Party of Hawai'i, Hawai'i Alliance for Progressive Action, and twenty-eight individuals.

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

Your Committee finds that the Partial Public Financing Program for candidates to state and county elected offices is a valuable component of the State's election process because it mitigates the outsized influence, and the perception of influence, of large private donors. The State's Partial Public Financing Program is operated by the Campaign Spending Commission and provides dollar for dollar matching funds up to a maximum amount on the qualifying contributions raised by a candidate who has first collected the minimum amount of these contributions for the prescribed office. Your Committee also finds that the amount of campaign funds that are available to candidates was last amended two decades ago. Inflation in media prices, postage, and labor costs make the current amounts far less than competitive, and the current amounts available to qualified candidates for public funding are far below the amounts spent by privately funded candidates who won election to the same office. This measure will update the Partial Public Financing Program to reduce the influence of large private donors and ensure fairer elections in the State.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Inserting an effective date of April 23, 2057, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this measure, as amended, contains an unspecified appropriation amount. Should your Committee on Ways and Means choose to deliberate on this measure, your Committee respectfully requests that it consider inserting an



appropriation amount of \$16,000,000 to fund the Partial Public Financing Program.

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. 345, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 345, 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



