H.B. NO. ¹²⁸ H.D. 1 S.D. 1 Proposed

A BILL FOR AN ACT

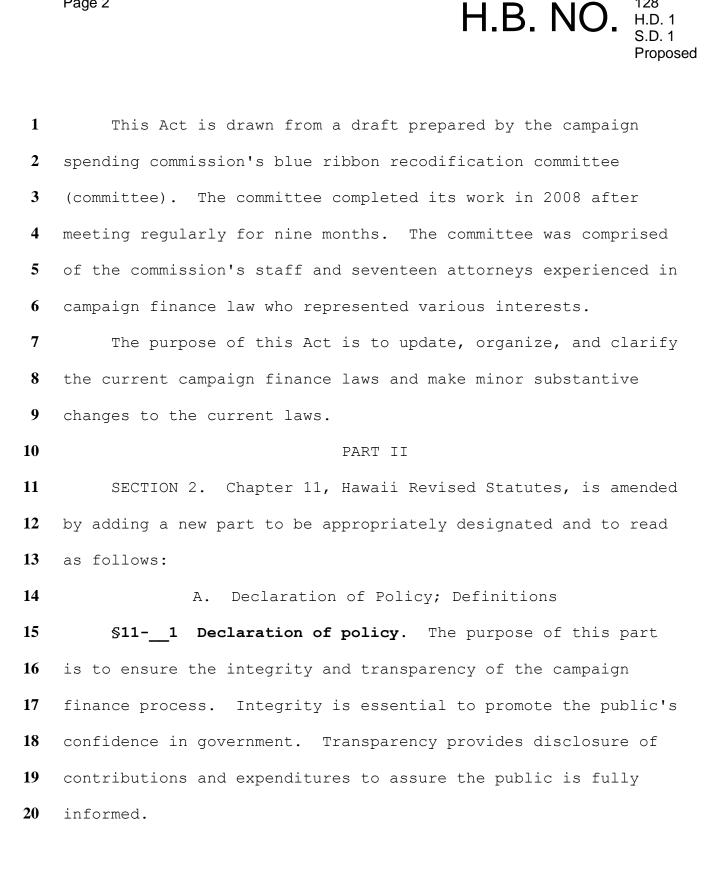
RELATING TO ELECTIONS.

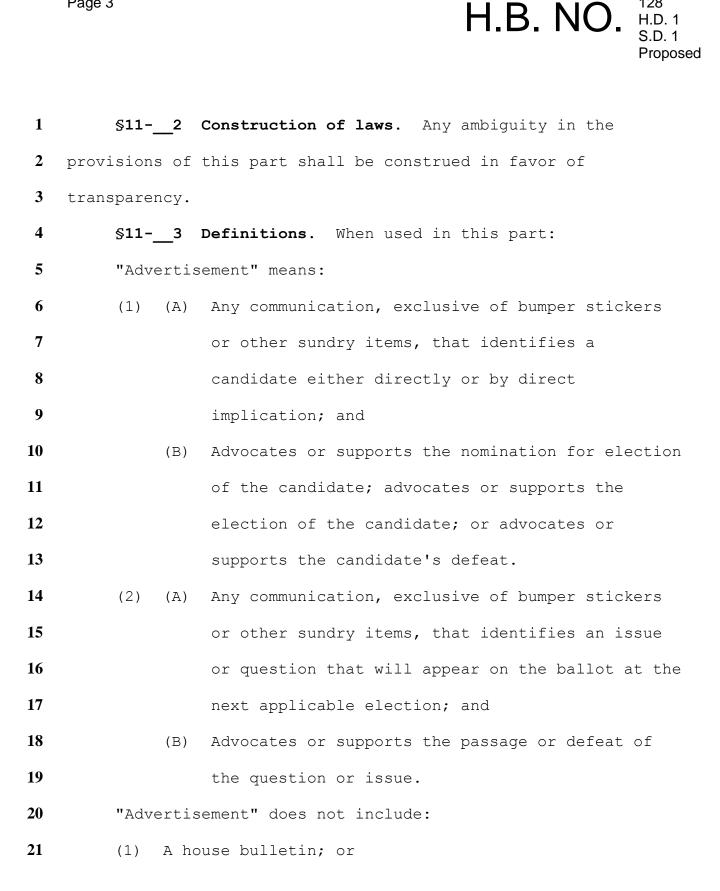
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

| 1 | PART I |
|---|--|
| 2 | SECTION 1. This Act updates, organizes, and clarifies the |
| 3 | current campaign finance laws. |
| 4 | The laws have their genesis in Act 185, Session Laws of |
| 5 | Hawaii 1973. Over the past thirty-five years, numerous |
| 6 | amendments have been made to the campaign finance laws in a |
| 7 | piecemeal fashion and, apparently, with little regard to the |
| 8 | laws as a whole. The result is laws that are unorganized, |

9 difficult to read, and inconsistent in some areas. The current
10 laws are codified in part XII, subpart B of chapter 11, Hawaii
11 Revised Statutes.

12 This Act organizes the campaign finance laws into a new 13 part of chapter 11, with ten subparts. Long and involved 14 sections are divided into shorter sections with clear titles for 15 quick reference. All the laws on one subject are grouped 16 together, in contrast to the current laws that require a reader 17 to search through the whole subpart for laws that may apply to 18 that subject.







(2) An editorial or letter to the editor distributed
 through the facilities of any broadcasting station,
 newspaper, magazine, or other periodical publication,
 unless such facilities are owned or controlled by any
 committee.

6 "Ballot issue committee" means a noncandidate committee as
7 defined in this section that has the exclusive purpose of
8 receiving contributions, making expenditures, or incurring
9 financial obligations for or against any question or issue
10 appearing on the ballot at the next applicable election.

11 "Campaign funds" means contributions, the candidate's own 12 funds, interest, rebates, refunds, loans, or advances, and any 13 other funds or anything of value, including nonmonetary 14 contributions, received by a committee.

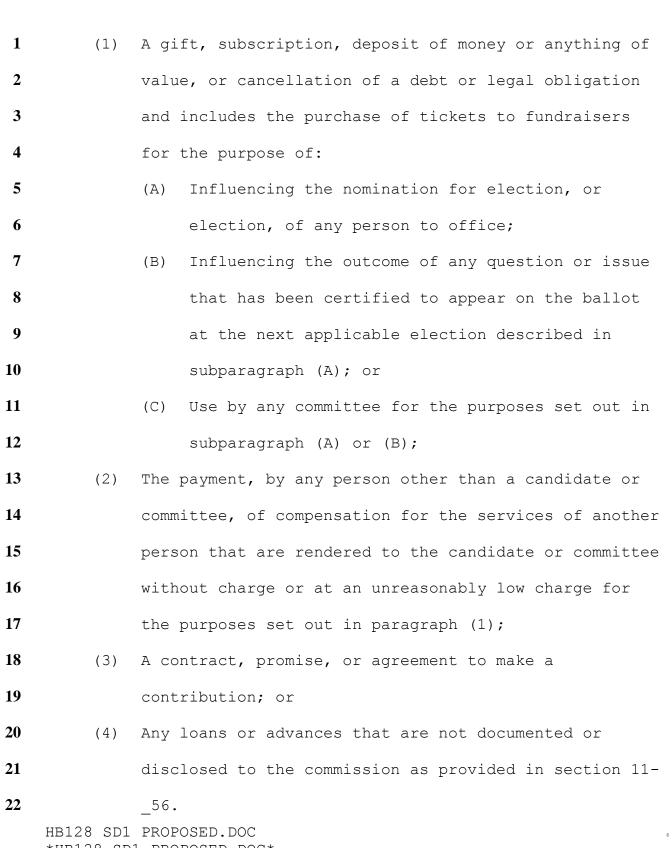
15 "Candidate" means an individual who seeks nomination for 16 election or seeks election to office. An individual is a 17 candidate if the individual does any of the following:

18 (1) Files nomination papers for an office for oneself with
19 the county clerk's office or with the chief election
20 officer's office, whichever is applicable;

21 (2) Receives contributions, makes expenditures, or incurs 22 financial obligations of more than \$100 to bring about HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC*

H.B. NO. ¹²⁸ H.D. 1 S.D. 1 Proposed

| 1 | the individual's nomination for election, or to bring |
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| 2 | about the individual's election to office; or |
| 3 | (3) Gives consent for any other person to receive |
| 4 | contributions, make expenditures, or incur financial |
| 5 | obligations to aid the individual's nomination for |
| 6 | election, or the individual's election, to office. |
| 7 | An individual remains a candidate until the individual's |
| 8 | candidate committee terminates registration with the commission. |
| 9 | "Candidate committee" means an organization, association, |
| 10 | or individual that receives campaign funds, makes expenditures, |
| 11 | or incurs financial obligations on behalf of a candidate with |
| 12 | the candidate's authorization. |
| 13 | "Clearly identified" means the name, photograph or other |
| 14 | similar image, or other unambiguous identification of a |
| 15 | candidate. |
| 16 | "Commission" means the campaign spending commission. |
| 17 | "Commissioner" means any person appointed to the |
| 18 | commission. |
| 19 | "Committee" means: |
| 20 | (1) Any candidate committee; or |
| 21 | (2) Any noncandidate committee. |
| 22 | "Contribution" means: |
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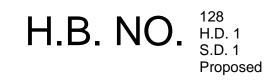


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H.D. 1 S.D. 1 Proposed

H.B. NO.

HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC*

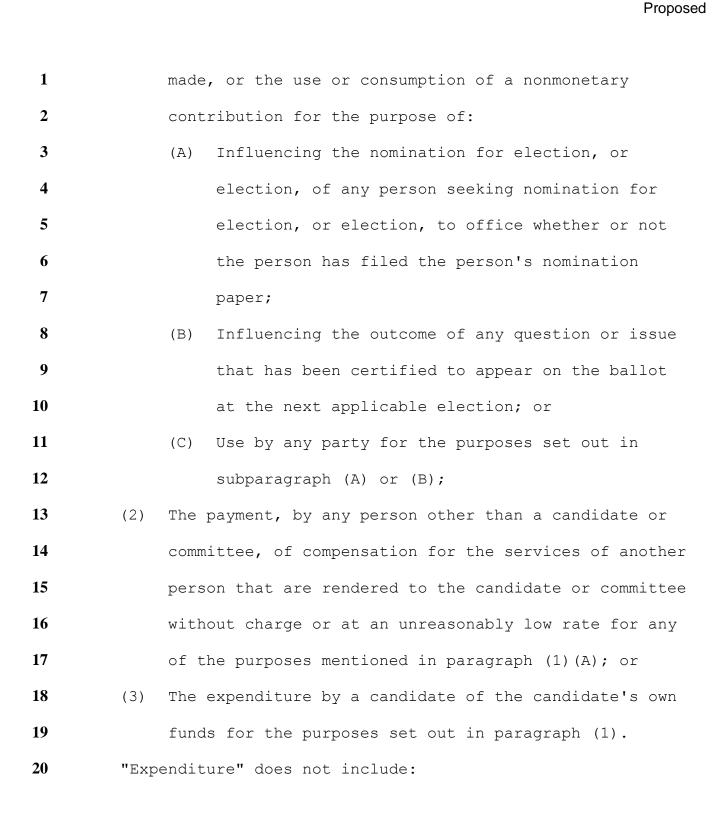


| 1 | "Con | tribution" does not include: |
|----|-----------|--|
| 2 | (1) | Services voluntarily provided without compensation by |
| 3 | | individuals to or on behalf of a candidate or |
| 4 | | committee; |
| 5 | (2) | A candidate's expenditure of the candidate's own |
| 6 | | funds; provided that this expenditure shall be |
| 7 | | reportable as an other receipt; |
| 8 | (3) | Any loans or advances to the candidate committee, |
| 9 | | provided that these loans or advances shall be |
| 10 | | reportable as an other receipt; or |
| 11 | (4) | An individual or committee engaging in internet |
| 12 | | activities for the purpose of influencing an election |
| 13 | | if: |
| 14 | | (A) The individual or committee is uncompensated for |
| 15 | | the internet activities; or |
| 16 | | (B) The individual or committee uses equipment or |
| 17 | | services for uncompensated internet activities, |
| 18 | | regardless of who owns the equipment and |
| 19 | | services. |
| 20 | For | purposes of this exclusion, "internet activities" |
| 21 | includes | sending or forwarding electronic messages; providing a |
| 22 | hyperlink | or other direct access to another person's website; |
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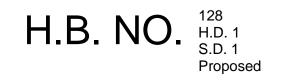
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| 1 | blogging; | creating, maintaining, or hosting a website; paying a | |
|----|--|---|--|
| 2 | nominal fee for the use of another person's website; and any | | |
| 3 | other for | m of communication distributed over the Internet. | |
| 4 | "Ear | marked funds" means contributions received by a | |
| 5 | committee | on the condition that the funds be contributed to or | |
| 6 | expended | on certain candidates, issues, or questions. | |
| 7 | "Ele | ction" means any election for office or for determining | |
| 8 | a questio | n or issue provided by law or ordinance. | |
| 9 | "Ele | ction period" means: | |
| 10 | (1) | The two-year time period between the day after the | |
| 11 | | general election through the day of the next general | |
| 12 | | election if a candidate is seeking nomination or | |
| 13 | | election to a two-year office; and | |
| 14 | (2) | The four-year time period between the day after the | |
| 15 | | general election through the day of the next general | |
| 16 | | election if a candidate is seeking nomination or | |
| 17 | | election to a four-year office. | |
| 18 | "Exp | enditure" means: | |
| 19 | (1) | Any purchase or transfer of money or anything of | |
| 20 | | value, or promise or agreement to purchase or transfer | |
| 21 | | money or anything of value, or payment incurred or | |

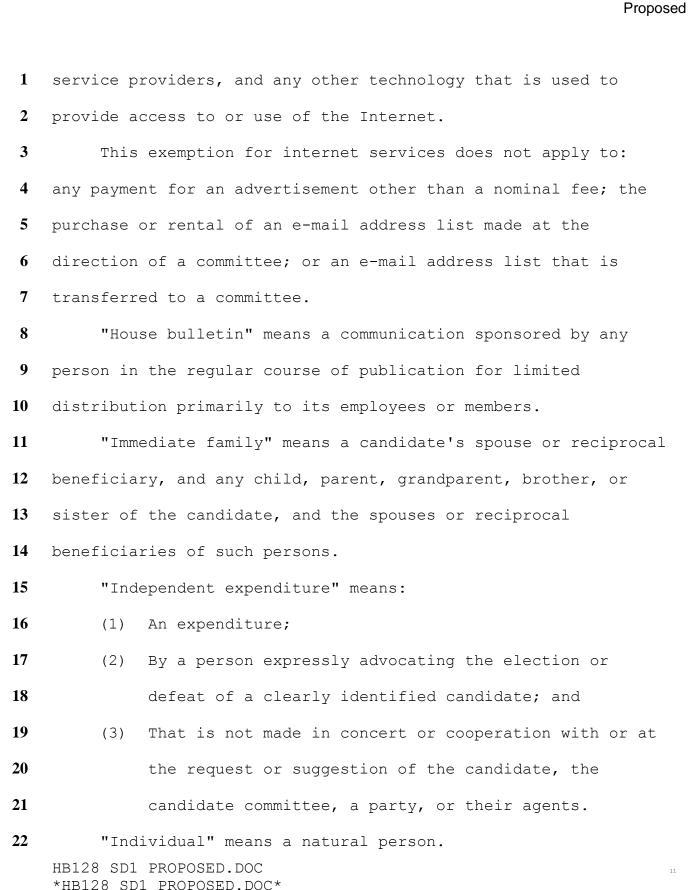


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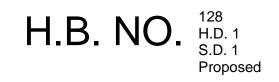
| 1 | (1) | Services voluntarily provided without compensation by |
|----|-----------|--|
| 2 | | individuals to or on behalf of a candidate or |
| 3 | | committee; |
| 4 | (2) | Voter registration efforts that are not partisan; or |
| 5 | (3) | An individual or committee engaging in internet |
| 6 | | activities for the purpose of influencing an election |
| 7 | | if: |
| 8 | | (A) The individual or committee is uncompensated for |
| 9 | | internet activities; or |
| 10 | | (B) The individual or committee uses equipment or |
| 11 | | services for uncompensated internet activities, |
| 12 | | regardless of who owns the equipment and |
| 13 | | services. |
| 14 | For | purposes of this paragraph, "internet activities" |
| 15 | includes | sending or forwarding electronic messages; providing a |
| 16 | hyperlink | or other direct access to another person's website; |
| 17 | blogging; | creating, maintaining, or hosting a website; paying a |
| 18 | nominal f | ee for the use of another person's website; and any |
| 19 | other for | m of communication distributed over the Internet. |
| 20 | For | purposes of this paragraph, "equipment and services" |
| 21 | includes | computers, software, internet domain names, internet |



H.D. 1

H.B. NO.

HB128 SD1 PROPOSED.DOC



| 1 | "Loar | n" means an advance of money, goods, or services, with |
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| 2 | a promise | to repay in full or in part within a specified period |
| 3 | of time. | A "loan" does not include expenditures made on behalf |
| 4 | of a comm | ittee by a candidate, volunteer, or employee if: |
| 5 | (1) | A candidate, volunteer, or employee's aggregate |
| 6 | | expenditures do not exceed \$1,500 within a thirty day |
| 7 | | period; |
| 8 | (2) | A dated receipt and a written description of the name |
| 9 | | and address of each payee and the amount, date, and |
| 10 | | purpose of each expenditure is provided to the |
| 11 | | committee before the committee reimburses the |
| 12 | | candidate, volunteer, or employee; and |
| 13 | (3) | The committee reimburses the candidate, volunteer, or |
| 14 | | employee within forty-five days of the expenditure |
| 15 | | being made. |
| 16 | "News | spaper" means a publication of general distribution in |
| 17 | the State | issued once or more per month which is written and |
| 18 | published | in the State. |
| 19 | "Nono | candidate committee" means: |
| 20 | (1) | An organization, association, or individual; |
| 21 | (2) | That has the purpose of receiving contributions, |
| 22 | | making expenditures, or incurring financial |
| | *HB128 SD1 | PROPOSED.DOC 1 PROPOSED.DOC* 1 PROPOSED.DOC* |

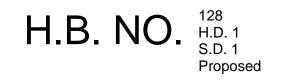


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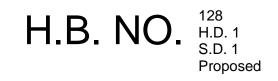
| 1 | | obligations to influence the nomination for election, |
|----|-----------|---|
| 2 | | the election of any candidate to office, or for or |
| 3 | | against any question or issue on the ballot. |
| 4 | A "n | oncandidate committee" does not include: |
| 5 | (1) | A candidate committee; |
| 6 | (2) | Any individual making a contribution or making an |
| 7 | | expenditure of the individual's own funds or anything |
| 8 | | of value that the individual originally acquired for |
| 9 | | the individual's own use and not for the purpose of |
| 10 | | evading any provision of this part; or |
| 11 | (3) | Any organization, which raises or expends funds for |
| 12 | | the sole purpose of the production and dissemination |
| 13 | | of informational or educational communications. |
| 14 | "Off | ice" means any Hawaii elective public or constitutional |
| 15 | office ex | cluding county neighborhood board and federal elective |
| 16 | offices. | |
| 17 | "Oth | er receipts" means the candidate's own funds, interest, |
| 18 | rebates, | refunds, loans, or advances, and any other funds |
| 19 | received | by a committee, but does not include contributions |
| 20 | received | from other persons. |
| 21 | "Par | ty" means any political party that satisfies the |

21 "Party" means any political party that satisfies the 22 requirements of section 11-61. HB128 SD1 PROPOSED.DOC

HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC*

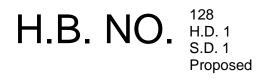


| 1 | "Person" means an individual, partnership, commi | .ttee, | |
|----|---|-------------|--|
| 2 | association, corporation, business entity, organization, or | | |
| 3 | labor union and its auxiliary committees. | | |
| 4 | "Political committees established and maintained | l by a | |
| 5 | national political party" means: | | |
| 6 | (1) The National Committee; | | |
| 7 | (2) The House Campaign Committee; and | | |
| 8 | (3) The Senate Committee. | | |
| 9 | "Qualifying contribution" means: | | |
| 10 | (1) An aggregate monetary contribution of \$100 | or less; | |
| 11 | (2) By an individual Hawaii resident during any | ' matching | |
| 12 | payment period; and | | |
| 13 | (3) Received after a candidate files a statemer | t of intent | |
| 14 | to seek public funds. | | |
| 15 | A qualifying contribution does not include a loa | n, in-kind | |
| 16 | contribution, or the candidate's own funds. | | |
| 17 | "Special election" means any election other than | a primary | |
| 18 | or general election. | | |
| 19 | "Treasurer" means a person appointed under secti | .on 1118 | |
| 20 | and unless expressly indicated otherwise, includes de | puty | |
| 21 | treasurers. | | |



| 1 | B. Campaign Spending Commission |
|----|--|
| 2 | <pre>§115 Campaign spending commission established;</pre> |
| 3 | composition. (a) There is established a campaign spending |
| 4 | commission which shall be placed within the department of |
| 5 | accounting and general services for administrative purposes. |
| 6 | (b) The commission shall consist of five members of the |
| 7 | general public, appointed by the governor from a list of ten |
| 8 | nominees submitted by the judicial council. A vacancy in the |
| 9 | commission shall be filled from the list of nominees or by |
| 10 | reappointment of a commissioner whose term has expired, subject |
| 11 | to the limit on length of service imposed by section 26-34. |
| 12 | (c) Notwithstanding section 26-34, an appointment to the |
| 13 | commission shall not be subject to senatorial confirmation. |
| 14 | (d) The judicial council may solicit applications for the |
| 15 | list of nominees through community organizations and |
| 16 | advertisements in any newspaper. The judicial council shall |
| 17 | meet and expeditiously select additional persons for the list of |
| 18 | nominees whenever the number of the eligible nominees falls |
| 19 | below five. |
| 20 | §116 Terms of office. The term of each commissioner |

20 \$11-_6 Terms of office. The term of each commissioner
21 shall be four years.



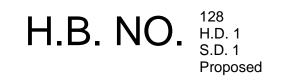
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\$11-_7 No compensation. The commissioners shall serve
 without compensation but they shall be reimbursed for reasonable
 expenses, including travel expenses, incurred in the discharge
 of their duties.

5 \$11-_8 Duties of the commission. The duties of the
6 commission under this part are:

7 To develop and adopt forms required by this part; (1)8 To adopt and publish a manual for all candidates and (2) 9 committees, describing the requirements of this part, 10 including uniform and simple methods of recordkeeping; 11 (3) To preserve all reports required by this part for at 12 least ten years from the date of receipt; 13 To permit the inspection, copying, or duplicating of (4) 14 any report required by this part pursuant to rules 15 adopted under chapter 91 by the commission; 16 (5) To ascertain whether any candidate, committee, or 17 party has failed to file a report required by this 18 part or has filed a substantially defective or 19 deficient report, and to notify these persons by first 20 class mail that the failure to file or filing of a 21 substantially defective or deficient report shall be

22 corrected and explained, and that a fine may be HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC*



| 1 | | assessed. All fines collected under this section |
|----|------|--|
| 2 | | shall be deposited in the general fund of the State; |
| 3 | (6) | To hold public hearings; |
| 4 | (7) | To investigate and hold hearings for receiving |
| 5 | | evidence of any violations; |
| 6 | (8) | To adopt rules pursuant to chapter 91; |
| 7 | (9) | To request the initiation of prosecution for the |
| 8 | | violation of this part pursuant to section 1180; |
| 9 | (10) | To administer and monitor the distribution of public |
| 10 | | funds under this part; |
| 11 | (11) | To suggest accounting methods for candidates and |
| 12 | | committees in connection with reports and records |
| 13 | | required by this part; |
| 14 | (12) | To employ or contract, without regard to chapters 76, |
| 15 | | 78, and 89, persons it finds necessary for the |
| 16 | | performance of its functions, including a full-time |
| 17 | | executive director, and to fix their compensation and, |
| 18 | | at pleasure, to dismiss such persons; |
| 19 | (13) | To do random audits, and field investigations, as |
| 20 | | necessary; and |
| 21 | (14) | To file for injunctive relief when indicated. |

H.B. NO. ¹²⁸ H.D. 1 S.D. 1 Proposed

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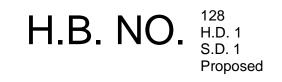
1 **§11- 9 Advisory opinions.** The commission may render 2 written advisory opinions upon the request of any candidate, 3 candidate committee, noncandidate committee, or other person or 4 entity subject to this part, as to whether the facts and 5 circumstances of a particular case constitute or will constitute 6 a violation of the campaign spending laws. If no advisory 7 opinion is rendered within ninety days after all information 8 necessary to issue an opinion has been obtained, it shall be 9 deemed that an advisory opinion was rendered and that the facts 10 and circumstances of that particular case do not constitute a 11 violation of the campaign spending laws. The opinion rendered 12 or deemed rendered, until amended or revoked, shall be binding 13 on the commission in any subsequent charges concerning the 14 candidate, candidate committee, noncandidate committee, or other 15 person or entity subject to this part, who sought the opinion 16 and acted in reliance on it in good faith, unless material facts 17 were omitted or misstated by the persons in the request for an 18 advisory opinion. Nothing in this section shall be construed to 19 allow the commission to issue rules through an advisory opinion.

20

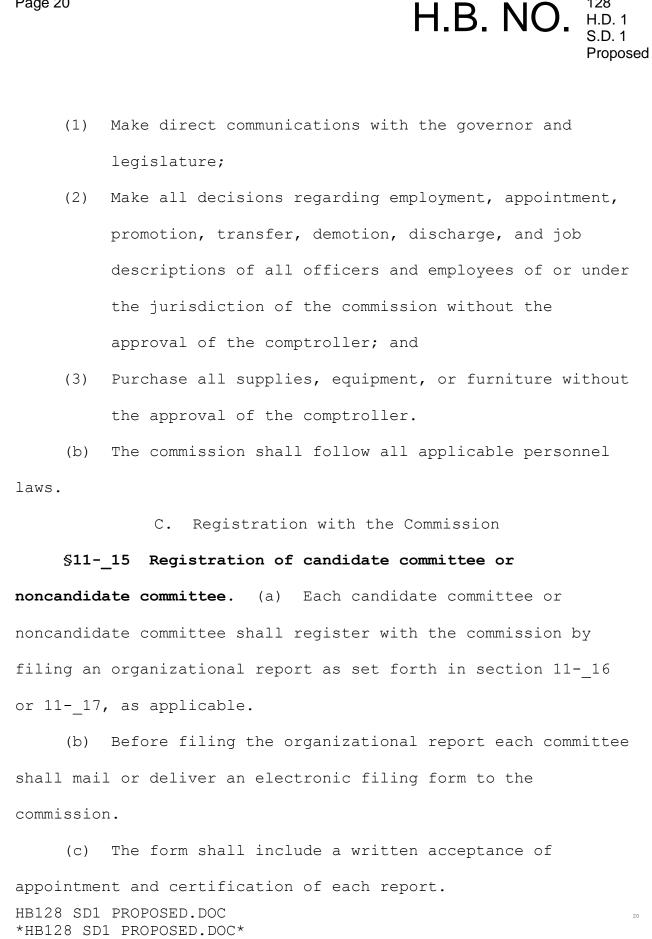
§11-_10 Political activities prohibited. (a) Each

21 commissioner and the commission's staff shall not participate in

22 any political campaign, including making a contribution to a
HB128 SD1 PROPOSED.DOC
HB128 SD1 PROPOSED.DOC
HB128 SD1 PROPOSED.DOC



1 candidate or committee, during the commissioner's term of office 2 or employee's term of employment. 3 Each commissioner shall retain the right to: (b) 4 (1)Register and vote in any election; 5 Participate in the nonpolitical activities of a civic, (2) 6 community, social, labor, or professional 7 organization, or of a similar organization; 8 (3) Be a member of a political party or other noncandidate 9 political organization and participate in its 10 activities to the extent consistent with law; and 11 (4) Otherwise participate fully in public affairs, except 12 as prohibited by law, in a manner which does not 13 materially compromise the commissioner's efficiency or 14 integrity as a commissioner or the neutrality, 15 efficiency, or integrity of the commission. 16 (c) A commissioner and the commission's staff may request 17 an advisory opinion from the state ethics commission to 18 determine whether a particular activity constitutes or would 19 constitute a violation of this section. 20 **§11- 11 Exemptions.** (a) The commission shall be exempt 21 from section 26-35(a) (1), (4), and (5) and shall:



HB128 SD1 PROPOSED.DOC



| 1 | (1) | A candidate committee shall file a written acceptance |
|----|-----------|---|
| 2 | | of appointment by the chairperson and treasurer and a |
| 3 | | certification by the candidate and treasurer of each |
| 4 | | filed report. |
| 5 | (2) | A noncandidate committee shall file a written |
| 6 | | acceptance of appointment by the chairperson and |
| 7 | | treasurer and a certification by the chairperson and |
| 8 | | treasurer of each filed report. |
| 9 | (d) | The organizational report for a candidate committee |
| 10 | shall be | filed within ten days of: |
| 11 | (1) | The date the candidate files nomination papers for |
| 12 | | office; or |
| 13 | (2) | The date the candidate or candidate committee receives |
| 14 | | contributions or makes or incurs expenditures of more |
| 15 | | than \$100 in the aggregate during the applicable |
| 16 | | election period, |
| 17 | whichever | occurs first. |
| 18 | (e) | An organizational report does not have to be filed |
| 19 | under thi | s section by an elected official who is a candidate for |
| 20 | reelectio | n to the same office in successive elections and has |
| 21 | not sough | t election to any other office during the period |

1 between elections, unless the candidate is required to report a 2 change in information pursuant to section 11-16. 3 A candidate shall have only one candidate committee. (f) 4 The organizational report for a noncandidate committee (a) 5 shall be filed within ten days of receiving contributions or 6 making or incurring expenditures of more than \$1,000, in the 7 aggregate, in a two-year election period; except that within the 8 thirty day period prior to an election, a noncandidate committee 9 shall register by filing an organizational report within two 10 days of receiving contributions or making or incurring expenditures of more than \$1,000, in the aggregate, in a two-11 12 year election period. 13 **§11- 16** Organizational report, candidate committee. (a) 14 The candidate committee organizational report shall include: 15 The committee's name and address, including web page (1)16 address, if any; 17 The candidate's name, address, and telephone number; (2) 18 The office being sought by the candidate, district, (3) 19 and party affiliation; 20 The chairperson's name, address, and telephone number, (4)

21 and, if appointed, the deputy chairperson's name,

22 address, and telephone number;

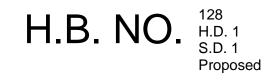
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128

H.D. 1 S.D. 1 Proposed

H.B. NO.



| 1 | (5) | The treasurer's name, address, and telephone number, |
|----|-----------|--|
| 2 | | and, if appointed, all deputy treasurers' names, |
| 3 | | addresses, and telephone numbers; |
| 4 | (6) | The name and address of each depository institution in |
| 5 | | which the committee will maintain its account(s) and |
| 6 | | applicable account number(s); |
| 7 | (7) | A certification of statements in the report by the |
| 8 | | candidate and treasurer; and |
| 9 | (8) | The name and address of each contributor who |
| 10 | | contributed an aggregate amount of more than \$100 |
| 11 | | since the last election applicable to the office being |
| 12 | | sought and the amount and date of deposit of each such |
| 13 | | contribution. |
| 14 | (b) | Any change in information previously reported in the |
| 15 | organizat | ional report with the exception of subsection (a)(8) |
| 16 | shall be | electronically filed with the commission within ten |
| 17 | days of t | he change being brought to the attention of the |
| 18 | committee | chairperson or treasurer. |
| | | |

19

§11-_17 Organizational report, noncandidate committee.

20 (a) The noncandidate committee organizational report shall

21 include:

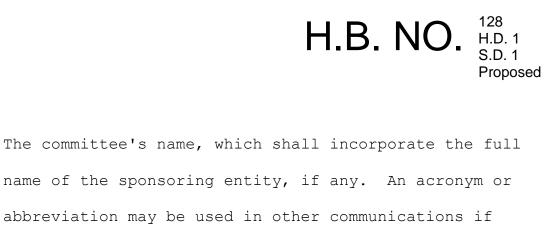
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- 3 abbreviation may be used in other communications if 4 the acronym or abbreviation is commonly known or 5 clearly recognized by the general public. The 6 committee's name shall not include the name of a 7 candidate; 8 (2) The committee's address, including web page address,
- 9 if any;
- 10 (3) The area, scope, or jurisdiction of the committee;
- 11 (4) The name and address of the committee's sponsoring
 12 entity. If the committee does not have a sponsoring
 13 entity, the committee shall specify the trade,
 14 profession, or primary interest of contributors to the
- 14 profession, or primary interest of contributors to the 15 committee;
- 16 (5) The name, address, telephone number, occupation, and
 17 principal place of business of the chairperson;
- 18 (6) The name, address, telephone number, occupation, and
 19 principal place of business of the treasurer and any
 20 other officers;
- 21 (7) An indication as to whether the committee was formed 22 to support or oppose a specific ballot question or HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC*

| H.B. | NO. | 128 H.D. 1 S.D. 1 Proposed |
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| 1 | | candidate and if so, a brief description of the |
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| 2 | | question or the name of the candidate; |
| 3 | (8) | An indication as to whether the committee is a |
| 4 | | political party committee; |
| 5 | (9) | The name, address, telephone number, occupation, and |
| 6 | | principal place of business of the custodian of the |
| 7 | | books and accounts; |
| 8 | (10) | The name and address of the depository institution in |
| 9 | | which the committee will maintain its campaign account |
| 10 | | and each applicable account number; |
| 11 | (11) | A certification of statements in the report by the |
| 12 | | chairperson and treasurer; |
| 13 | (12) | The name, address, employer and occupation of each |
| 14 | | contributor who contributed an aggregate amount of |
| 15 | | more than \$100 since the last election and the amount |
| 16 | | and date of deposit of each such contribution. |
| 17 | (b) | Any change in information previously reported in the |
| 18 | f 8 organizational report with the exception of subsection (a)(12) | |
| 19 | shall be | electronically filed with commission within ten days of |
| 20 | the change being brought to the attention of the committee | |
| 21 | chairpers | on or treasurer. |
| | | |



| 1 | §11 | 18 Treasurer. (a) Every committee shall appoint a |
|----|------------|--|
| 2 | treasurer | on or before the day it files an organizational |
| 3 | report. | |
| 4 | (1) | Up to five deputy treasurers may be appointed. |
| 5 | (2) | A candidate may be appointed as the treasurer or |
| 6 | | deputy treasurer. |
| 7 | (3) | An individual who is not an officer or treasurer may |
| 8 | | be appointed, on a fee or voluntary basis, to |
| 9 | | specifically prepare and file reports with the |
| 10 | | commission. |
| 11 | (b) | A treasurer may be removed at any time. |
| 12 | (C) | In case of death, resignation, or removal of the |
| 13 | treasurer | , the candidate or committee shall promptly appoint a |
| 14 | successor | . During the period the office of treasurer is vacant, |
| 15 | the candio | date, committee chairperson, or party chairperson, |
| 16 | whichever | is applicable, shall serve as treasurer. |
| 17 | (d) | Only the treasurer and deputy treasurers shall be |
| 18 | authorized | d to receive contributions or make or incur |
| 19 | expenditu | res on behalf of the committee. |
| 20 | (e) | The treasurer shall establish and maintain itemized |
| 21 | records sl | howing: |
| 22 | (1) | The amount of each monetary contribution; |
| | | PROPOSED.DOC 26 |

HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC*

1 (2) The description and value of each nonmonetary 2 contribution; and 3 The name and address of each contributor making a (3) 4 contribution of more than \$25 in value. 5 (f) The treasurer shall maintain detailed accounts, bills, 6 receipts, and other records to establish that reports were 7 properly prepared and filed. 8 The records shall be retained for at least five years (a) 9 after the report is filed. 10 §11- 19 Individual not serve as a committee officer in 11 certain circumstances; committee prohibited from acting in 12 concert, or soliciting or making contributions. (a) No 13 committee that supports or opposes a candidate shall have an 14 officer who serves as an officer on any other committee which 15 supports or opposes the same candidate. 16 (b) If a committee has an officer who serves as an officer 17 on another committee which supports or opposes the same

128

H.D. 1 S.D. 1 Proposed

27

H.B. NO.

19 solicit or make contributions on behalf of, any other committee.

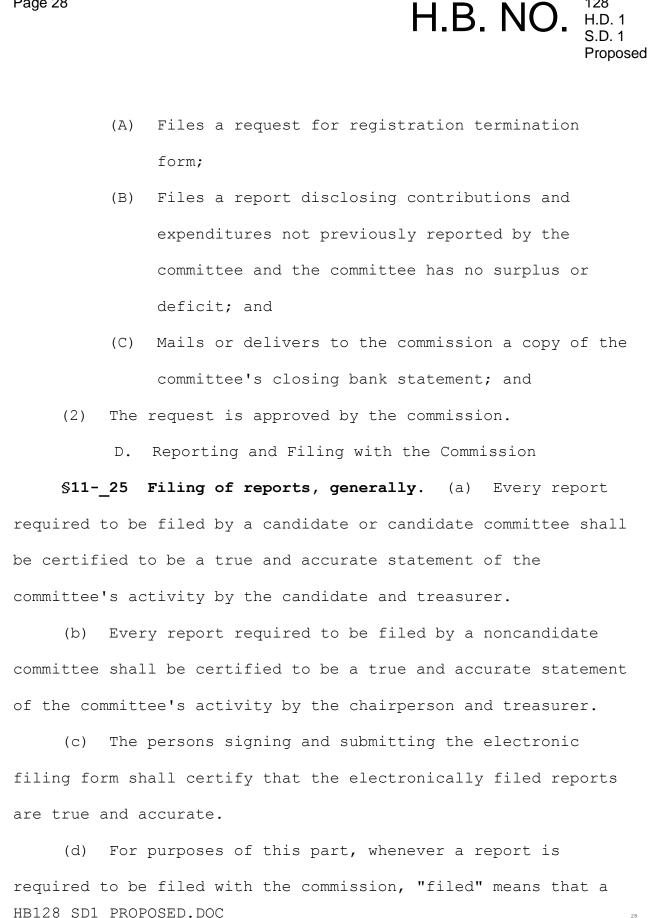
candidate, the committees shall not act in concert with, or

20 §11- 20 Termination of committee's registration. A

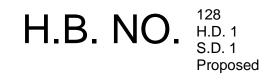
21 committee may terminate its registration if:

22 (1) The committee:

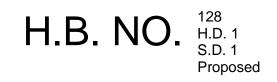
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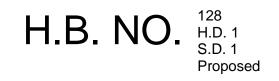
HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC*



| 1 | report sha | all be filed with the commission's electronic filing |
|----|------------|---|
| 2 | system by | the date and time specified for the filing of the |
| 3 | report by: | : |
| 4 | (1) | The candidate or candidate committee of a candidate |
| 5 | | who is seeking election to the: |
| 6 | | (A) Office of governor; |
| 7 | | (B) Office of lieutenant governor; |
| 8 | | (C) Office of mayor; |
| 9 | | (D) Office of prosecuting attorney; |
| 10 | | (E) County council; |
| 11 | | (G) Senate; |
| 12 | | (H) House of representatives; |
| 13 | | (I) Office of Hawaiian affairs; or |
| 14 | | (J) Board of education; or |
| 15 | (2) | A noncandidate committee required to be registered |
| 16 | | with the commission pursuant to section 1117. |
| 17 | (e) | In order to be timely filed, a committee's reports |
| 18 | shall be t | filed with the commission's electronic filing system on |
| 19 | or before | 11:59 p.m. Hawaii-Aleutian Standard Time on the filing |
| 20 | date spec | ified. |
| 21 | (f) | All reports filed under this part are public records. |
| | | |

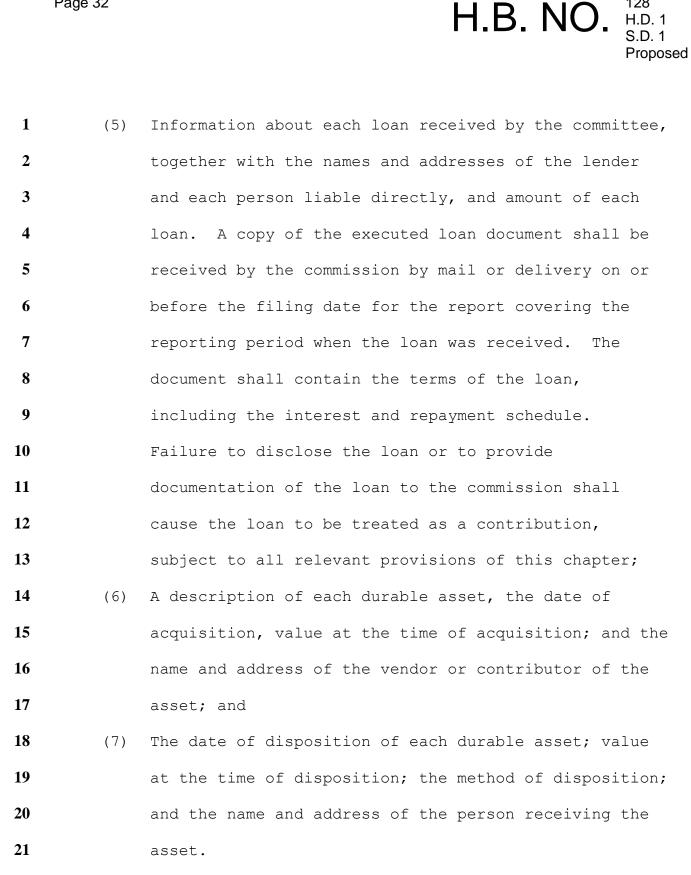


| 1 | §11 | _26 Candidate committee reports. (a) The candidate |
|----|------------|---|
| 2 | and campa | ign treasurer shall file preliminary, final, and |
| 3 | supplement | tal reports that shall disclose the following |
| 4 | informatio | on: |
| 5 | (1) | The committee's name and address; |
| 6 | (2) | The cash on hand at the beginning of the reporting |
| 7 | | period and election period; |
| 8 | (3) | The reporting period and election period aggregate |
| 9 | | total for each of the following categories: |
| 10 | | (A) Contributions; |
| 11 | | (B) Expenditures; |
| 12 | | (C) Other receipts; and |
| 13 | | (D) Loans; |
| 14 | (4) | The cash on hand at the end of the reporting period; |
| 15 | | and |
| 16 | (5) | The surplus or deficit at the end of the reporting |
| 17 | | period. |
| 18 | (b) | Schedules filed with the reports shall include the |
| 19 | following | additional information: |
| 20 | (1) | The amount and date of deposit of each contribution |
| 21 | | and the name and address of each contributor who makes |
| 22 | | contributions aggregating more than \$100 in an |
| | *HB128 SD1 | PROPOSED.DOC 30 PROPOSED.DOC* PROPOSED.DOC* |



31

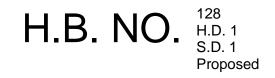
| 1 | | election period; provided that if all the information |
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| 2 | | is not on file, the contribution shall be returned to |
| 3 | | the contributor within thirty days of deposit; |
| 4 | (2) | The amount and date of deposit of each contribution |
| 5 | | and the name, address, employer, and occupation of |
| 6 | | each contributor who makes contributions aggregating |
| 7 | | \$1,000 or more during an election period; provided |
| 8 | | that if all the information is not on file, the |
| 9 | | contribution shall be returned to the contributor |
| 10 | | within thirty days of deposit; |
| 11 | (3) | All expenditures including the name and address of |
| 12 | | each payee and the amount, date, and purpose of each |
| 13 | | expenditure. Expenditures for consultants, |
| 14 | | advertising agencies and similar firms, credit card |
| 15 | | payments, salaries, and candidate reimbursements shall |
| 16 | | be itemized to permit a reasonable person to determine |
| 17 | | the ultimate intended recipient of the expenditure and |
| 18 | | its purpose; |
| 19 | (4) | The amount, date of deposit, and description of other |
| 20 | | receipts and the name and address of the source of |
| 21 | | each of the other receipts; |



HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC*

32

128



| 1 | (c) The candidate committee shall file a late contribution |
|----|--|
| 2 | report as provided in section 1131 if the committee receives |
| 3 | late contributions from any person aggregating more than \$500. |
| 4 | <pre>§1127 Time for candidate committee to file preliminary,</pre> |
| 5 | final, and supplemental reports. (a) The candidate and |
| 6 | campaign treasurer of each candidate whose name will appear on |
| 7 | the ballot in the immediately succeeding election shall file |
| 8 | preliminary, final, and supplemental reports. |
| 9 | (1) The filing dates for preliminary reports are: |
| 10 | (A) July 31 of the election year; |
| 11 | (B) Ten calendar days prior to a primary, first |
| 12 | special, or first nonpartisan election; and |
| 13 | (C) Ten calendar days prior to a general, second |
| 14 | special, or second nonpartisan election; provided |
| 15 | that this preliminary report does not have to be |
| 16 | filed by a candidate who is unsuccessful in a |
| 17 | primary, first special, or first nonpartisan |
| 18 | election or a candidate who is elected to office |
| 19 | in the primary, first special, or first |
| 20 | nonpartisan election. |
| 21 | Each preliminary report shall be current through June |
| 22 | 30 for the report filed on July 31 and current through |

HB128 SD1 PROPOSED.DOC

HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* 33

| 1 | | the fifth calendar day before the filing deadline of |
|----|--|--|
| 2 | | other preliminary reports. |
| 3 | (2) | The filing date for the final primary report is twenty |
| 4 | | calendar days after a primary, first special, or first |
| 5 | | nonpartisan election. The report shall be current |
| 6 | | through the day of the applicable election. |
| 7 | (3) | The filing date for the final election period report |
| 8 | | is thirty calendar days after a general, second |
| 9 | | special, or second nonpartisan election. The report |
| 10 | | shall be current through the day of the applicable |
| 11 | | election. The final election period report shall be |
| 12 | | filed by a candidate who is unsuccessful in a primary |
| 13 | | first special, or first nonpartisan election or a |
| 14 | | candidate who is elected to office in the primary, |
| 15 | | first special, or first nonpartisan election. |
| 16 | (4) | The filing dates for supplemental reports are: |
| 17 | | (A) January 31 after an election year; and |
| 18 | | (B) July 31 after an election year. |
| 19 | The | report shall be current through December 31 for the |
| 20 | report filed on January 31 and current through June 30 for the | |
| 21 | report fi | led on July 31. |
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128 H.D. 1 S.D. 1

Proposed

34

H.B. NO.

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The candidate and campaign treasurer of each candidate (b) with a deficit or surplus whose name will not appear on the ballot in the immediately succeeding election shall file a supplemental report every six months on January 31 and July 31 until: (1) The candidate's name appears on the ballot and then is subject to the reporting requirements in subsection (a); or (2) The committee's registration is terminated as provided in section 11- 20. The report shall be current through December 31 for the report filed on January 31 and current through June 30 for the report filed on July 31. (c) A candidate and treasurer shall continue to file all reports until the committee's registration is terminated as provided in section 11- 20. **§11- 28 Noncandidate committee reports.** (a) The authorized person in the case of a party, or campaign treasurer in the case of a committee, shall file preliminary, final, and supplemental reports that disclose the following information: The committee's name and address; (1)

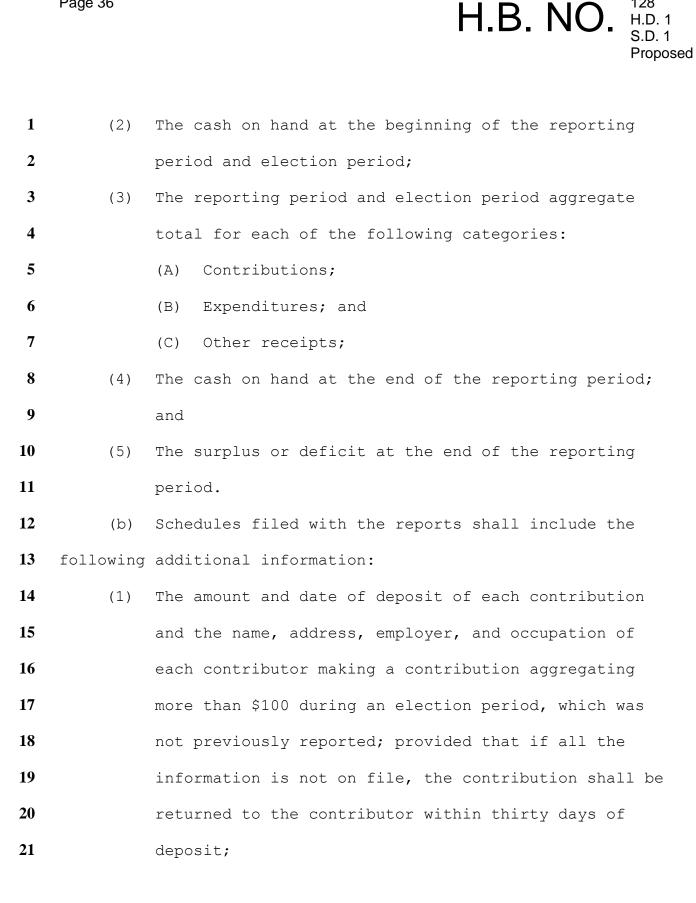
HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC*

35

128

H.D. 1 S.D. 1 Proposed

H.B. NO.



36

| 1 | (2) | All expenditures, including the name and address of |
|----|-----------|--|
| 2 | | each payee and the amount, date, and purpose of each |
| 3 | | 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; |
| 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 | (4) | A description of each durable asset, the date of |
| 13 | | acquisition, value at the time of acquisition; and the |
| 14 | | name and address of the vendor or contributor of the |
| 15 | | asset; and |
| 16 | (5) | The date of disposition of a durable asset; value at |
| 17 | | the time of disposition; the method of disposition; |
| 18 | | and the name and address of the person receiving the |
| 19 | | asset. |
| 20 | (c) | No loan may be made or received by a noncandidate |
| 21 | committee | |

HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC*

37

128 H.D. 1 S.D. 1

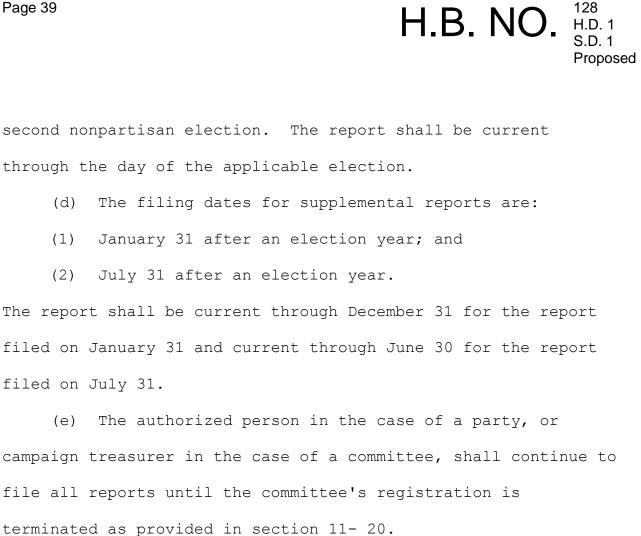
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H.B. NO.



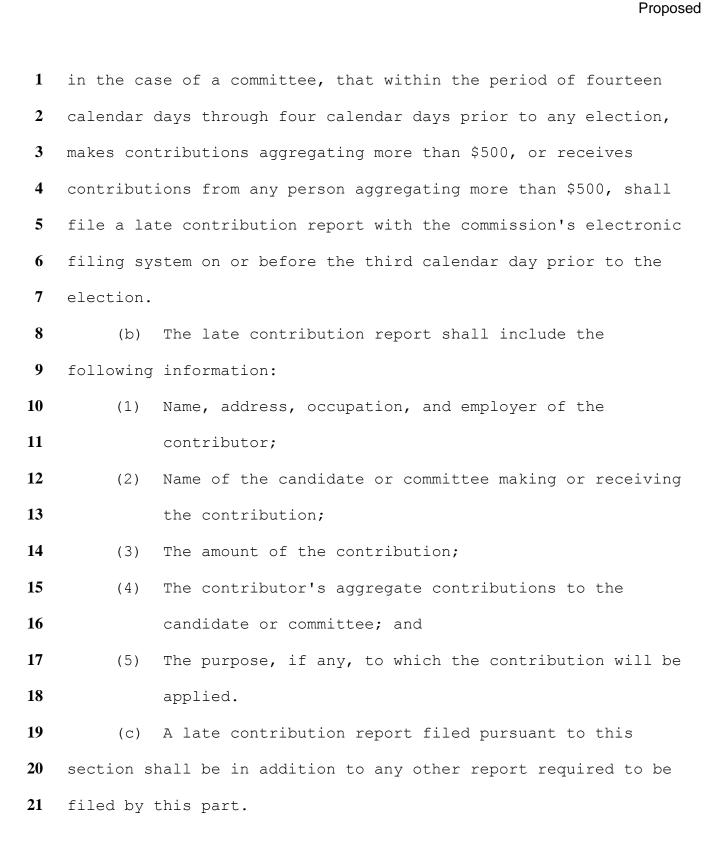
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| 1 | (d) The authorized person in the case of a party, or |
|----|---|
| 2 | campaign treasurer in the case of a committee shall file a late |
| 3 | contribution report as provided in section 1131 if the |
| 4 | committee receives late contributions from any person |
| 5 | aggregating more than \$500 or makes late contributions |
| 6 | aggregating more than \$500. |
| 7 | <pre>§1129 Time for noncandidate committee to file</pre> |
| 8 | preliminary, final, and supplemental reports. (a) The filing |
| 9 | dates for preliminary reports are: |
| 10 | (1) Ten calendar days prior to a primary, first special, |
| 11 | or first nonpartisan election; and |
| 12 | (2) Ten calendar days prior to a general, second special, |
| 13 | or second nonpartisan election. |
| 14 | Each preliminary report shall be current through the fifth |
| 15 | calendar day prior to the filing of the report. |
| 16 | (b) The filing date for the final primary report is twenty |
| 17 | calendar days after the primary, first special, or first |
| 18 | nonpartisan election. The report shall be current through the |
| 19 | day of the applicable election. |
| 20 | (c) The filing date for the final election period report |
| 21 | is thirty calendar days after a general, second special, or |
| | |



§11- 30 Reporting expenditures. For the purposes of this part, an expenditure is deemed to be made or incurred when the services are rendered or the product is delivered. Services rendered or products delivered for use during a reporting period are deemed delivered or rendered during the period or periods of use; provided that these expenditures shall be reasonably allocated between periods in accordance with the time the services or products are actually used.

§11- 31 Late contributions; report. (a) The candidate, authorized person in the case of a party, or campaign treasurer HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC*

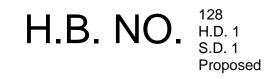


128 H.D. 1

S.D. 1

40

H.B. NO.



1 §11- 32 Final election period report for committee 2 receiving and expending \$1,000 or less during the election 3 **period.** (a) Any provision of law to the contrary 4 notwithstanding, a committee whose aggregate contributions and 5 aggregate expenditures for the election period total \$1,000 or 6 less, may electronically file only a final election period 7 report, but need not file a preliminary and final primary 8 report, a preliminary and final general report, or a special 9 election report.

10 (b) Until the committee's registration is terminated as 11 provided in section 11-20, supplemental reports and other 12 reports required by this part shall be filed.

13 §11- 33 Failure to file report; filing a substantially 14 defective or deficient report. (a) True and accurate reports 15 shall be filed with the commission on or before the due date 16 specified in this part. Any committee that is required to file 17 reports under this part shall be subject to the fines in this 18 section if the report is not filed by the due date or if the 19 report is substantially defective or deficient, as determined by 20 the commission.

21 (b) The fine for not filing a report by the due date shall
22 be \$50 per day for the first seven days, beginning with the day
HB128 SD1 PROPOSED.DOC
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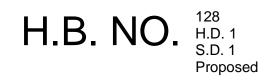


1 after the due date of the report, and \$200 per day thereafter,
2 not to exceed twenty-five per cent of the total amount of
3 contributions or expenditures, whichever is greater, for the
4 period covered by the report; provided that the minimum fine for
5 a report filed more than four days after the due date shall be
6 \$200.

7 Subsection (b) notwithstanding, if a candidate (C) 8 committee does not file the second preliminary primary report or 9 the preliminary general report or if a noncandidate committee 10 does not file the preliminary primary report or the preliminary 11 general report by the due date, the fine shall be \$300 per day, 12 not to exceed twenty-five per cent of the total amount of 13 contributions or expenditures, whichever is greater, for the 14 period covered by the report; provided that the minimum fine 15 shall be \$300.

16 (d) If the commission determines that a report is 17 substantially defective or deficient, the commission shall 18 notify the candidate's committee by first class mail that: 19 (1) The report is substantially defective or deficient; 20 and

21 (2) A fine may be assessed.

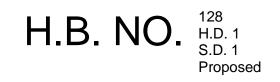


| 1 | (e) If the corrected report is not filed with the |
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| 2 | commission's electronic filing system on or before the |
| 3 | fourteenth day after the notice of deficiency has been mailed, |
| 4 | the fine for a substantially defective or deficient report shall |
| 5 | be \$50 per day for the first seven days, beginning with the |
| 6 | fifteenth day after the notice was sent, and \$200 per day |
| 7 | thereafter, not to exceed twenty-five per cent of the total |
| 8 | amount of contributions or expenditures, whichever is greater, |
| 9 | for the period covered by the report; provided that the minimum |
| 10 | fine for not filing a corrected report more than eighteen days |
| 11 | after the notice was sent shall be \$200. |
| 12 | (f) The commission shall publish on its website the names |
| 13 | of all candidate committees that have failed to: |
| 14 | (1) File a report, or |
| 15 | (2) Correct a report within the time allowed by the |
| 16 | commission. |
| 17 | (g) All fines collected under this section shall be |
| 18 | deposited into the general fund. |
| 19 | <pre>§1134 Electioneering communications; statement of</pre> |
| 20 | information. (a) Each person who makes a disbursement for |
| 21 | electioneering communications in an aggregate amount of more |
| 22 | than \$2,000 during any calendar year shall, within twenty-four HB128 SD1 PROPOSED.DOC |

| 1 | hours of | each disclosure date provided in this section, file |
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| 2 | with the | commission a statement of information. |
| 3 | (b) | Each statement of information shall contain the |
| 4 | following | r: |
| 5 | (1) | The name of the person making the disbursement, name |
| 6 | | of any person or entity sharing or exercising |
| 7 | | discretion or control over such person, and the |
| 8 | | custodian of the books and accounts of the person |
| 9 | | making the disbursement; |
| 10 | (2) | The state of incorporation and principal place of |
| 11 | | business or, for an individual, the address of the |
| 12 | | person making the disbursement; |
| 13 | (3) | The amount of each disbursement during the period |
| 14 | | covered by the statement and the identification of the |
| 15 | | person to whom the disbursement was made; |
| 16 | (4) | The elections to which the electioneering |
| 17 | | communications pertain and the names, if known, of the |
| 18 | | candidates identified or to be identified; |
| 19 | (5) | If the disbursements were made by a committee, the |
| 20 | | names and addresses of all persons who contributed to |
| 21 | | the committee for the purpose of publishing or |
| 22 | | broadcasting the electioneering communications; |
| | HB128 SD1 | PROPOSED.DOC 44 |

H.B. NO. ¹²⁸ H.D. 1 S.D. 1 Proposed

HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC*



| 1 | (6) | If the disbursements were made by an organization |
|----|-----------|---|
| 2 | | other than a committee, the names and addresses of all |
| 3 | | persons who contributed to the organization for the |
| 4 | | purpose of publishing or broadcasting the |
| 5 | | electioneering communications; and |
| 6 | (7) | Whether or not any electioneering communication is |
| 7 | | made in coordination, cooperation, or concert with or |
| 8 | | at the request or suggestion of any candidate, |
| 9 | | committee, or agent of any candidate or committee and, |
| 10 | | if so, the identification of the candidate or |
| 11 | | committee, or agent involved. |
| 12 | (c) | For the purposes of this section: |
| 13 | "Dis | closure date" means, for every calendar year, the first |
| 14 | date by w | hich a person has made disbursements during that same |
| 15 | year of m | ore than \$2,000, in the aggregate, for electioneering |
| 16 | communica | tions, and the date of any subsequent disbursements by |
| 17 | that pers | on for electioneering communications. |
| 18 | "Ele | ctioneering communication" means any advertisement: |
| 19 | (1) | (A) Broadcast from a cable, satellite, television, or |
| 20 | | radio broadcast station; |
| 21 | | (B) Published in any periodical or newspaper; or |
| 22 | | (C) Sent by mail at a bulk rate; |
| | *HB128 SD | PROPOSED.DOC 45 1 PROPOSED.DOC* 1 PROPOSED.DOC* |



| 1 | (2) | That refers to a clearly identifiable candidate; |
|----|-----------|--|
| 2 | (3) | Made, or scheduled to be made, either within thirty |
| 3 | | days prior to a primary or initial special election or |
| 4 | | within sixty days prior to a general or special |
| 5 | | election; and |
| 6 | (4) | That is susceptible of no reasonable interpretation |
| 7 | | other than as an appeal to vote for or against a |
| 8 | | specific candidate. |
| 9 | "Ele | ctioneering communication" shall not include |
| 10 | communica | tions: |
| 11 | (1) | In a news story or editorial disseminated by any |
| 12 | | broadcast station or publisher of periodicals or |
| 13 | | newspapers, unless the facilities are owned or |
| 14 | | controlled by any committee or candidate; |
| 15 | (2) | That constitutes expenditures by the disbursing |
| 16 | | organization; |
| 17 | (3) | In in-house bulletins; or |
| 18 | (4) | That constitutes a candidate debate or forum, or |
| 19 | | solely promotes a debate or forum and is made by or on |
| 20 | | behalf of the person sponsoring the debate or forum. |



(d) For purposes of this section, a person shall be
 treated as having made a disbursement if the person has executed
 a contract to make the disbursement.

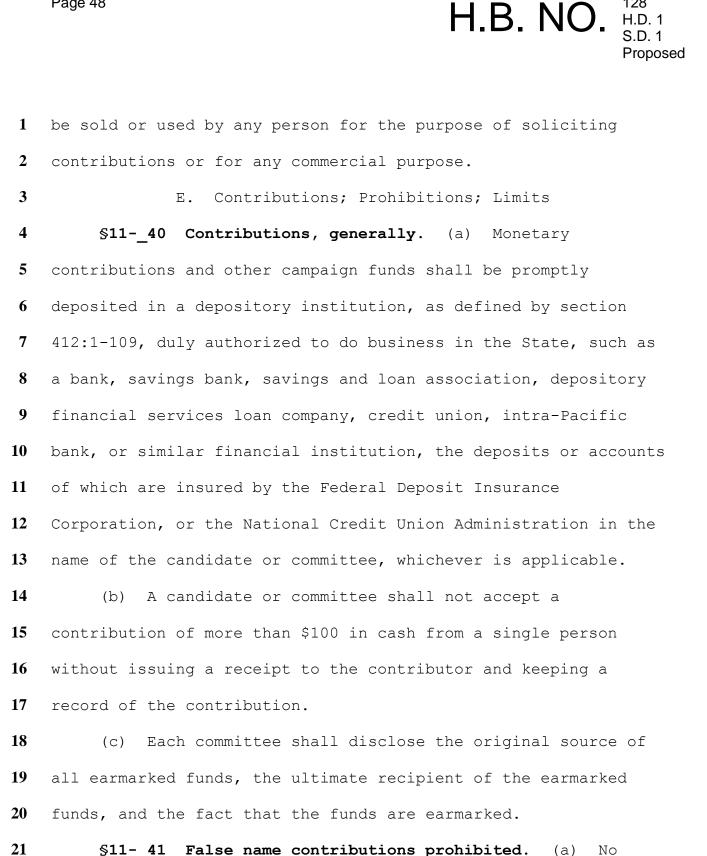
4 §11-_35 Fundraiser; notice of intent. (a) No fundraiser
5 shall be held unless a notice of intent to hold the fundraiser
6 is filed setting forth the name and address of the person in
7 charge, the price per person, the date, hour, and place of the
8 fundraiser, and the method thereof.

9 (b) The person in charge of the fundraiser shall file the10 notice with the commission prior to the fundraiser.

(c) As used in this section, "fundraiser" means any function held for the benefit of a candidate or committee that is intended or designed, directly or indirectly, to raise contributions for which the price or suggested contribution for attending the function is more than \$25 per person.

16 \$11-_36 Reporting deadline. When any reporting deadline 17 falls on a Saturday, Sunday, or holiday designated in section 8-18 1, the reporting deadline shall be the next succeeding day that 19 is not a Saturday, Sunday, or holiday.

20 §11-_37 Sale or use of information. No information in the 21 reports or copies of the reports filed with the commission shall



48

22 person shall make a contribution to any candidate or committee, HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC*

H.B. NO. ¹²⁸ H.D. 1 S.D. 1 Proposed

49

in any name other than that of the person who owns the money,
 property, or service.

3 (b) All contributions made in the name of a person other
4 than the owner of the money, property, or service shall escheat
5 to the Hawaii election campaign fund.

6 §11-_42 Anonymous contributions prohibited. (a) Except
7 as provided in subsection (d), no person shall make an anonymous
8 contribution to any candidate or committee.

9 (b) A candidate or committee shall not knowingly receive,
10 accept, or retain an anonymous contribution, or report such
11 contribution as an anonymous contribution, except as provided in
12 this section.

(c) An anonymous contribution shall not be used or expended by the candidate or committee, but shall be returned to the contributor. If the contributor cannot be identified, the contribution shall escheat to the Hawaii election campaign fund.

(d) This section shall not apply to amounts that aggregate less than \$500 that are received from ten or more persons at the same political function. The receipt of these contributions shall be disclosed in a report filed pursuant to sections 11-_26 and 11- 28.



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\$11-_43 Fundraising on state or county property
 prohibited. (a) Except as provided in subsection (b), no
 person shall solicit a contribution in a government facility
 that is used for the discharge of official duties by an officer
 or employee of the State or county.

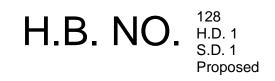
6 (b) This prohibition shall not apply to any government 7 facility that permits use by nongovernmental organizations for a 8 fee or with reservations; provided the governmental facility's 9 use rules do not prohibit political activities on the premises. 10 Government facilities that permit use for political activities 11 shall be available to a candidate or committee for fundraising 12 activities pursuant to the same terms and conditions that would 13 otherwise apply to use by nongovernmental organizations.

14 (c) A person who violates the prohibition of fundraising15 on state or county property shall be guilty of a misdemeanor.

16 \$11-_44 Contributions by state and county contractors
17 prohibited. (a) It shall be unlawful for the person who enters
18 into any contract with the State, any of its counties, or any
19 department or agency thereof either for the rendition of
20 personal services, the buying of property, or furnishing of any
21 material, supplies, or equipment to the State, any of its
22 counties, department or agency thereof, or for selling any land

HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC*

HB128 SD1 PROPOSED.DOC



| 1 | or buildi | ng to the State, any of its counties, or any department |
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| 2 | or agency | thereof, if payment for the performance of the |
| 3 | contract | or payment for material, supplies, equipment, land, |
| 4 | property, | or building is to be made in whole or in part from |
| 5 | funds app | ropriated by the legislative body, at any time between |
| 6 | the execu | tion of the contract through the completion of the |
| 7 | contract, | to: |
| 8 | (1) | Directly or indirectly make any contribution or to |
| 9 | | promise expressly or impliedly to make any |
| 10 | | contribution to any party, committee, or candidate or |
| 11 | | to any person for any political purpose or use; or |
| 12 | (2) | Knowingly solicit any contribution from any person for |
| 13 | | any purpose during any period. |
| 14 | (b) | Except as provided in subsection (a), this section |
| 15 | does not | prohibit or make unlawful the establishment or |
| 16 | administr | ation of, or the solicitation of contributions to, any |
| 17 | noncandid | ate committee by any person for the purpose of |
| 18 | influenci | ng the nomination for election or the election of any |
| 19 | person to | office; provided that the commission shall by rule |
| 20 | establish | contribution limits for limited liability companies as |
| 21 | defined i | n section 428-101, limited liability partnerships as |
| 22 | | n section 425-101, and limited liability limited |
| | *HB128 SD | PROPOSED.DOC 51 1 PROPOSED.DOC* 1 PROPOSED.DOC* |

1 partnerships as defined in section 425E-102. Sole proprietors 2 subject to this section shall comply with applicable campaign 3 contribution limits in section 11-46(a). (c) For purposes of this section, "completion of the 4 5 contract" means that the parties to the government contract have 6 either terminated the contract prior to completion of 7 performance or fully performed the duties and obligations under 8 the contract, no disputes relating to the performance and 9 payment remain under the contract, and all disputed claims have 10 been adjudicated and are final.

128

H.D. 1 S.D. 1 Proposed

52

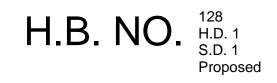
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11 §11- 45 Contributions by foreign national or foreign 12 corporation prohibited. (a) Except as provided in subsection 13 (b), no contributions or expenditures shall be made to or on 14 behalf of a candidate or committee by a foreign national or 15 foreign corporation, including a domestic subsidiary of a 16 foreign corporation, a domestic corporation that is owned by a 17 foreign national, or a local subsidiary where administrative 18 control is retained by the foreign corporation, and in the same 19 manner prohibited under 2 United States Code section 441e and 11 20 Code of Federal Regulations 110.20, as amended.

21

(b) A foreign-owned domestic corporation may make

22 contributions if:



| 1 | | (1) | Foreign national individuals do not participate in |
|----|-------|--------|--|
| 2 | | | election-related activities such as decisions |
| 3 | | | concerning contributions or the administration of a |
| 4 | | | committee; or |
| 5 | | (2) | The contributions are domestically-derived. |
| 6 | | §11- | _46 Contributions to candidate committees; limits. |
| 7 | (a) | No pe | erson shall make contributions to: |
| 8 | | (1) | A candidate seeking nomination or election to a two- |
| 9 | | | year office or to a candidate committee in an |
| 10 | | | aggregate amount greater than \$2,000 during an |
| 11 | | | election period; |
| 12 | | (2) | A candidate seeking nomination or election to a four- |
| 13 | | | year nonstatewide office or to a candidate committee |
| 14 | | | in an aggregate amount greater than \$4,000 during an |
| 15 | | | election period; and |
| 16 | | (3) | A candidate seeking nomination or election to a four- |
| 17 | | | year statewide office or to a candidate committee in |
| 18 | | | an aggregate amount greater than \$6,000 during an |
| 19 | | | election period. |
| 20 | | (b) | For purposes of this section, the length of term of an |
| 21 | offi | ce sha | all be the usual length of term of the office as |
| 22 | unaf: | fecte | d by reapportionment, a special election to fill a |
| | *HB12 | 28 SD | PROPOSED.DOC 53 1 PROPOSED.DOC* 1 PROPOSED.DOC* |

vacancy, or any other factor causing the term of the office the
 candidate is seeking to be less than the usual length of term of
 that office.

128

H.D. 1 S.D. 1 Proposed

54

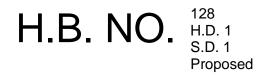
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4 \$11-47 Contributions to noncandidate committees; limits.
5 No person shall make contributions to a noncandidate committee
6 in an aggregate amount greater than \$1,000 in an election. This
7 section shall not apply to ballot issue committees.

§11-_48 Family contributions. (a) A contribution by a
dependent minor shall be reported in the name of the minor but
included in the aggregate contributions of the minor's parent or
quardian.

(b) A contribution by the candidate's immediate family shall be exempt from section 11-_46, but shall be limited in the aggregate to \$50,000 in any election period; provided that the aggregate amount of loans and contributions received from the candidate's immediate family does not exceed \$50,000 during an election period.

18 \$11-_49 Contributions to a party. (a) No person shall
19 make contributions to a party in an aggregate amount greater
20 than \$25,000 in any two-year election period, except as provided
21 in subsection (b).



55

(b) No political committee established and maintained by a
 national political party shall make contributions to a party in
 an aggregate amount greater than \$50,000 in any two-year
 election period.

5 If a person makes a contribution to a party that is (C) 6 earmarked for a candidate or candidates and the party exercises 7 any direction or control over the choice of the recipient 8 candidate or candidates, the contribution is deemed to be a 9 contribution from both the original contributor and the party 10 distributing such funds to a candidate or candidates. The 11 earmarked funds shall be promptly distributed by the party to 12 the candidate.

13 (d) This section shall not prohibit a candidate from
14 making contributions to the candidate's party if contributions
15 are not earmarked for another candidate.

16 \$11- 50 Aggregation of contributions and expenditures. 17 (a) All contributions and expenditures of a person whose 18 contributions or expenditures are financed, maintained, or 19 controlled by any corporation, labor organization, association, 20 party, or any other person, including any parent, subsidiary, 21 branch, division, department, or local unit of the corporation, 22 labor organization, association, party, political committees HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC*

1 established and maintained by a national political party, or by 2 any group of those persons shall be considered to be made by a 3 single person.

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56

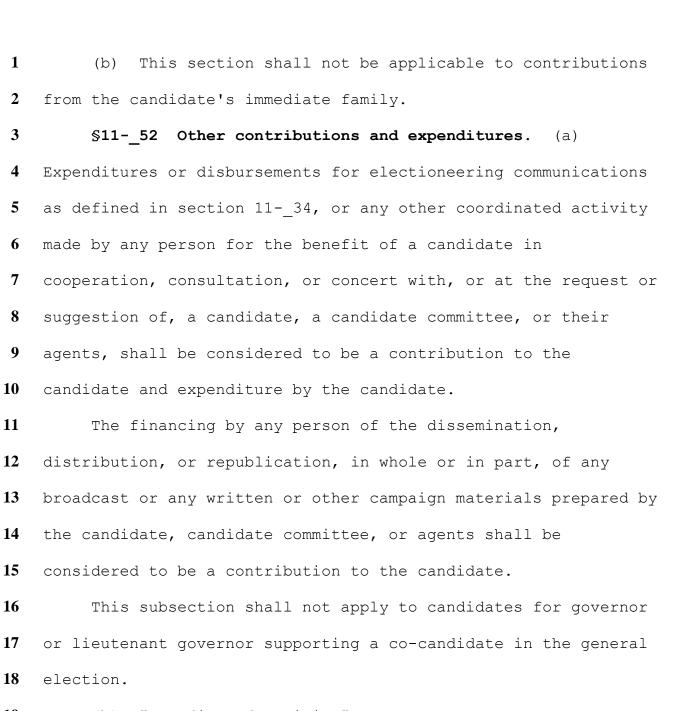
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4 (b) Contributions of an individual and any general
5 partnership in which the individual is a partner shall be
6 considered to be made by a single person.

7 (c) A person's contribution to a party that is earmarked
8 for a candidate or candidates is included in the aggregate
9 contributions of both the person and the party to the candidate
10 or candidates if the party exercises any direction or control
11 over the choice of the recipient candidate or candidates. The
12 earmarked funds shall be promptly distributed by the party to
13 the candidate.

14 (d) A contribution by a dependent minor shall be reported
15 in the name of the minor but included in the aggregate
16 contributions of the minor's parent or guardian.

17 §11-_51 Contributions limited from nonresident persons.
18 (a) Contributions from all persons who are not residents of the
19 State at the time the contributions are made, shall not exceed
20 twenty per cent of the total contributions received by a
21 candidate or candidate committee for each reporting period.



H.D. 1 S.D. 1 Proposed

57

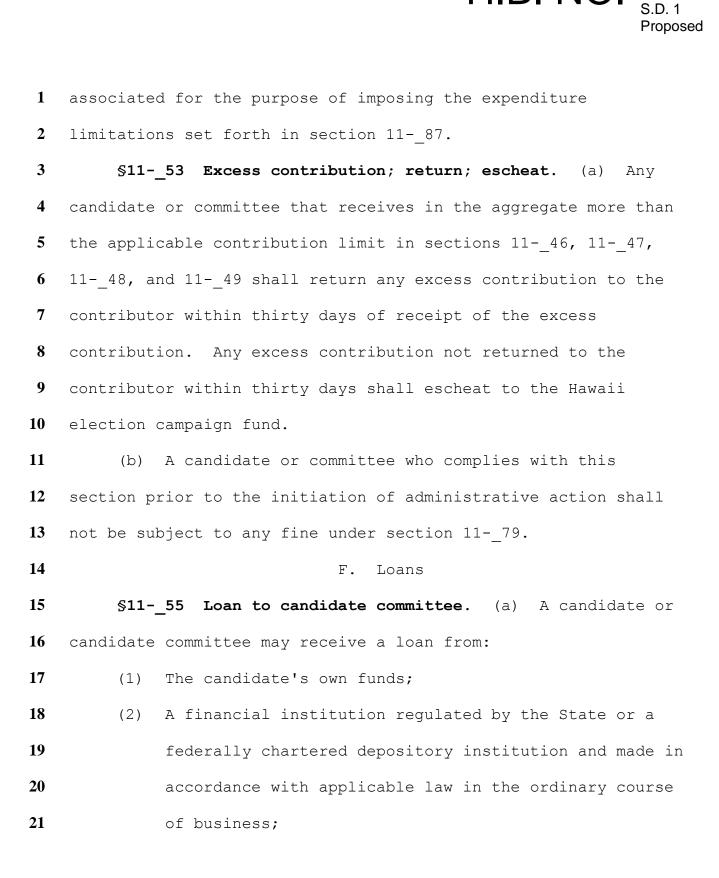
H.B. NO.

- 19 (b) "Coordinated activity" means:
- 20 (1) The payment by any person in cooperation,

21 consultation, or concert with, at the request of, or 22 pursuant to, any general or particular understanding HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC*



| 1 | | with a candidate, candidate committee, the party of a |
|----|-----------|---|
| 2 | | candidate, or an agent of a candidate, candidate |
| 3 | | committee, or the party of a candidate; |
| 4 | (2) | The payment by any person for the production, |
| 5 | | dissemination, distribution, or republication, |
| 6 | | written, graphic, or other form of campaign material |
| 7 | | prepared by a candidate, committee, or an agent of a |
| 8 | | candidate or committee; or |
| 9 | (3) | Any payment by any person or contract for any |
| 10 | | electioneering communication, as defined in section |
| 11 | | 1134, where the payment is coordinated with a |
| 12 | | candidate, candidate committee, the party of the |
| 13 | | candidate, or an agent of a candidate, committee, or |
| 14 | | the party of a candidate. |
| 15 | (C) | No expenditure for a candidate who files an affidavit |
| 16 | with the | commission agreeing to limit aggregate expenditures by |
| 17 | the candi | date, including coordinated activity by any person, |
| 18 | shall be | made or incurred by any committee without authorization |
| 19 | of the ca | ndidate or the candidate's authorized representative. |
| 20 | Every exp | enditure so authorized and made or incurred shall be |
| 21 | attribute | d to the candidate with whom the committee is directly |



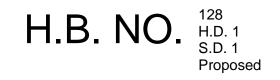
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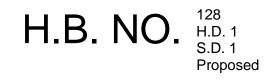
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H.B. NO.



60

| 1 | (3) | The candidate's immediate family in an aggregate |
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| 2 | | amount not to exceed \$50,000 during an election |
| 3 | | period, provided that the aggregate amount of loans |
| 4 | | and contributions received from the immediate family |
| 5 | | does not exceed \$50,000 during an election period; and |
| 6 | (4) | Persons other than immediate family of the candidate |
| 7 | | in an aggregate amount not to exceed \$10,000 during an |
| 8 | | election period. This \$10,000 limit for loans from |
| 9 | | persons other than the immediate family is applicable |
| 10 | | to the candidate, rather than the person or persons |
| 11 | | making the loan. |
| 12 | | (A) If the \$10,000 limit for loans from persons other |
| 13 | | than the immediate family is reached, the |
| 14 | | candidate and candidate committee shall be |
| 15 | | prohibited from receiving or accepting any other |
| 16 | | loans until the \$10,000 is repaid in full. |
| 17 | | (B) If a loan from persons other than immediate |
| 18 | | family members is not repaid within one year of |
| 19 | | the date that the loan is made, the candidate and |
| 20 | | candidate committee shall be prohibited from |
| 21 | | accepting any other loans. All campaign funds, |



61

| 1 | | including contributions subsequently received, |
|----|-----------|--|
| 2 | | shall be used to repay the outstanding loan. |
| 3 | (b) | For the purposes of this section, a "loan" does not |
| 4 | include e | xpenditures made on behalf of a candidate committee by |
| 5 | a candida | te, volunteer, or employee if: |
| 6 | (1) | The candidate's, volunteer's, or employee's aggregate |
| 7 | | expenditures do not exceed \$1,500 within a thirty-day |
| 8 | | period; |
| 9 | (2) | A dated receipt and a written description of the name |
| 10 | | and address of each payee and the amount, date, and |
| 11 | | purpose of each expenditure is provided to the |
| 12 | | candidate committee before the candidate committee |
| 13 | | reimburses the candidate, volunteer, or employee; and |
| 14 | (3) | The candidate committee reimburses the candidate, |
| 15 | | volunteer, or employee within forty-five days of the |
| 16 | | expenditure being made. |
| 17 | §11- | _56 Reporting loan; written loan agreement. (a) |
| 18 | Every loa | n shall be reported as provided in section 1126. |
| 19 | (b) | Every loan in excess of \$100 shall be documented as |
| 20 | provided | in section 1126. |



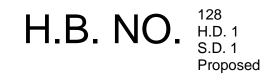
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| (c) A loan shall be treated as a contribution, subject to |
|--|
| all relevant provisions of this part, if the loan is not |
| reported or documented as provided in section 1126. |
| 11-57 Noncandidate committee loan prohibited. A |
| noncandidate committee shall not receive or make a loan. |
| G. Expenditures |
| 11-58 Campaign funds only used for certain purposes. |
| (a) Campaign funds may be used by a candidate, treasurer, or |
| candidate committee: |
| (1) For any purpose directly related: |
| (A) In the case of the candidate, to the candidate's |
| own campaign; or |
| (B) In the case of a treasurer or candidate |
| committee, to the campaign of the candidate, |
| question, or issue with which they are directly |
| associated; |
| (2) To purchase or lease consumer goods, vehicles, |
| equipment, and services that provide a mixed benefit |
| to the candidate. The candidate, however, shall |
| reimburse the committee for the candidate's personal |
| use unless the personal use is de minimis; |
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H.B. NO. ¹²⁸ H.D. 1 S.D. 1 Proposed

63

| 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 |
| 5 | | contributions shall be no more than twice the maximum |
| 6 | | amount that one person may contribute to that |
| 7 | | candidate pursuant to section 1146; provided further |
| 8 | | that no contributions shall be made from the date the |
| 9 | | candidate files nomination papers to the date of the |
| 10 | | general election; |
| 11 | (4) | To make donations to any public school or library; |
| 12 | | provided that any donation under this paragraph shall |
| 13 | | not be subjected to and counted towards the limit |
| 14 | | <pre>imposed in paragraph (3);</pre> |
| 15 | (5) | To purchase not more than two tickets for each event |
| 16 | | held by another candidate or committee, whether or not |
| 17 | | the event constitutes a fundraiser as defined in |
| 18 | | section 1135; |
| 19 | (6) | To make contributions to the candidate's party so long |
| 20 | | as the contributions are not earmarked for another |
| 21 | | candidate; or |
| | | |



| 1 | (7) | To pay for ordinary and necessary expenses incurred in | | | |
|----|---|--|--|--|--|
| 2 | | connection with the candidate's duties as a holder of | | | |
| 3 | | an office. | | | |
| 4 | (b) | Campaign funds may be used for the candidate's next | | | |
| 5 | subsequent | t election upon registration for the election pursuant | | | |
| 6 | to section | n 1115. | | | |
| 7 | §11 | _59 Prohibited uses of campaign funds. Campaign funds | | | |
| 8 | shall not | be used: | | | |
| 9 | (1) | To support the campaigns of candidates other than the | | | |
| 10 | | candidate with which they are directly associated; | | | |
| 11 | (2) | To campaign against any other candidate not directly | | | |
| 12 | | opposing the candidate with which they are directly | | | |
| 13 | | associated; or | | | |
| 14 | (3) | For personal expenses. | | | |
| 15 | §11 | _60 Exceptions. Notwithstanding sections 1158 and | | | |
| 16 | 1159: | | | | |
| 17 | (1) | A party may support more than one candidate; and | | | |
| 18 | (2) | A candidate for the office of governor or lieutenant | | | |
| 19 | | governor may support a co-candidate in the general | | | |
| 20 | | election. | | | |
| 21 | §11 | _61 Disposition of campaign funds; termination of | | | |
| 22 | registration. (a) The candidate committee and candidate who | | | | |
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HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC*

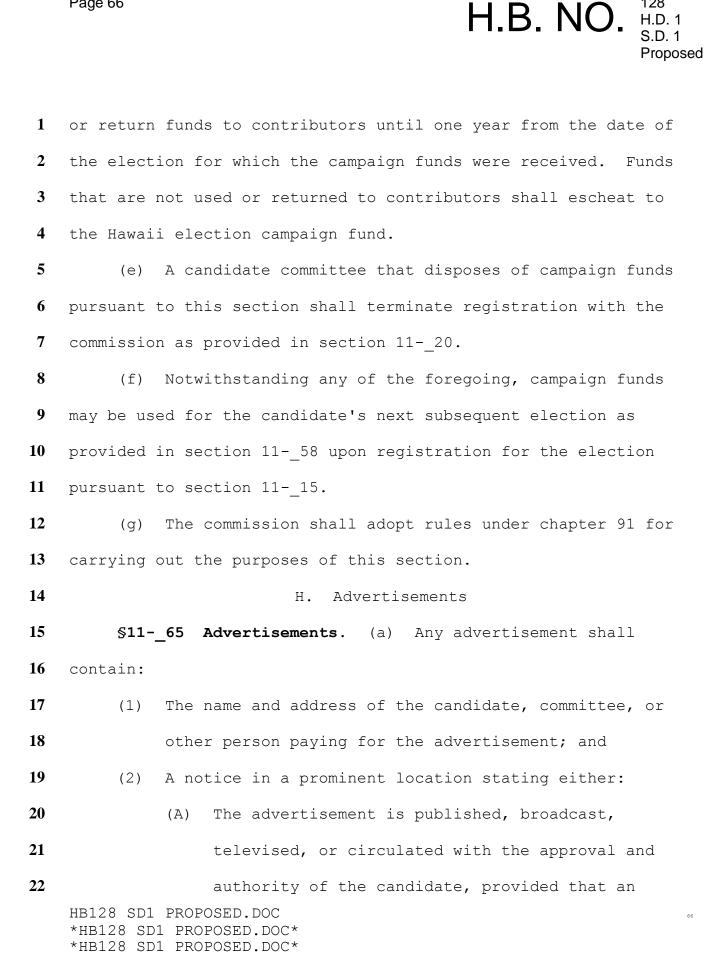


receives contributions for an election but fails to file
 nomination papers for that election shall return residual funds
 to the contributors no later than ninety days after the date on
 which nominations for that election shall be filed. Funds not
 returned to contributors shall escheat to the Hawaii election
 campaign fund.

7 The candidate committee and candidate who withdraws or (b) 8 ceases to be a candidate for the election because of death, 9 disqualification, or other reasons shall return residual funds 10 to the contributors no later than ninety days after the candidate ceases to be a candidate. Funds not returned to 11 12 contributors shall escheat to the Hawaii election campaign fund. 13 (c) A candidate and committee of a candidate elected to 14 office, including a candidate subject to term limits and a 15 candidate who resigned before the end of the term of office, may 16 use campaign funds as provided in section 11- 58 or return funds 17 to contributors until four years from the date of the election

18 for which the campaign funds were received. Funds that are not 19 used or returned to contributors shall escheat to the Hawaii 20 election campaign fund.

21 (d) A candidate and committee of a candidate who lost in 22 an election may use campaign funds as provided in section 11-_58 HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC*



128



| 1 | | advertisement paid for by a candidate, candidate |
|----|-----------------|---|
| 2 | | committee, or ballot issue committee does not |
| 3 | | have to include the notice; or |
| 4 | (B) | The advertisement is published, broadcast, |
| 5 | | televised, or circulated without the approval and |
| 6 | | authority of the candidate. |
| 7 | (b) The | fine for violating this section shall be a fine |
| 8 | not to exceed | \$25 for each advertisement that lacks the |
| 9 | information rea | quired by this section and no more than \$5,000 |
| 10 | aggregate. | |

11 §11-_66 House bulletins. The costs of preparing,
12 printing, and circulating house bulletins and the writings,
13 drawings, and photographs contained therein, except for paid
14 advertisements, shall be exempt from the provisions of this
15 part.

16

I. Enforcement

17 §11-_70 Subpoena powers. (a) The commission may subpoena 18 witnesses, examine them under oath, and require the production 19 of books, papers, documents, or objects, to the commission 20 office or at any place in the State whether or not the subpoena 21 is in connection with any hearing; provided that the person or

1 documents subpoenaed shall be relevant to a matter under study 2 or investigation by the commission. 3 The books, papers, documents, or objects may be (b) retained by the commission for a reasonable period of time for 4 5 examination, audit, copying, testing, and photographing. 6 (C) The subpoena power shall be exercised by the 7 chairperson of the commission, or such other person as the 8 chairperson may designate. 9 (d) Upon application of the commission, obedience to the 10 subpoena shall be enforced by the circuit court in the county 11 where the person subpoenaed resides or is found, in the same 12 manner as a subpoena issued by a circuit court. 13 **§11- 71 Filing of complaint.** (a) A person alleging 14 violations of this part shall file a complaint with the 15 commission.

128

H.D. 1 S.D. 1 Proposed

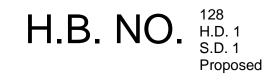
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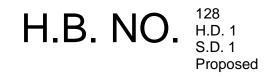
16 (b) A complaint initiated by the commission shall be in17 writing and signed by the executive director.

18 (c) A complaint by a person other than the executive
19 director shall be in writing, signed by the person filing the
20 complaint, and notarized.

21 §11-_72 Notice of complaint; opportunity to explain or
22 respond to complaint. (a) The commission shall give notice of
HB128 SD1 PROPOSED.DOC
HB128 SD1 PROPOSED.DOC
HB128 SD1 PROPOSED.DOC



1 receipt of the complaint and a copy of the complaint to the 2 respondent. 3 (b) The respondent may explain or otherwise respond in 4 writing to the complaint and explain or otherwise respond to the 5 complaint at a meeting promptly noticed by the commission and 6 conducted under chapter 92. 7 §11-73 Initial determination by the commission. The 8 commission shall promptly determine, without regard to chapter 9 91, to: 10 (1)Summarily dismiss the complaint; 11 (2) Cause further investigation; 12 Make a preliminary determination regarding probable (3) 13 cause; or 14 (4) Refer the complaint for prosecution under section 11-15 80. 16 §11- 74 Preliminary determination regarding probable 17 cause. (a) Upon consideration of the response, if the 18 respondent explains or otherwise responds to the complaint, and 19 upon completion of any investigation, the commission may make a 20 prompt preliminary determination as to whether probable cause 21 exists that a violation of this part has been committed. The

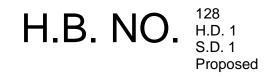


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preliminary determination with findings of fact and conclusions 1 2 of law shall be served upon the respondent by certified mail. 3 The respondent shall be afforded an opportunity to (b) 4 contest the commission's preliminary determination of probable 5 cause by making a request for a contested case hearing under 6 chapter 91 within twenty days of receipt of the preliminary 7 determination. Failure to request a contested case hearing 8 shall result in the commission's preliminary determination being 9 deemed a final determination of violation.

10 **§11- 75 Waiver of further proceedings.** The commission may 11 waive further proceedings, including the filing of a complaint, 12 because of action the respondent takes to remedy or correct the 13 alleged violation, including the payment of any administrative 14 fine. The commission shall make the remedial or corrective 15 action taken by the respondent, the commission's decision in 16 light of the action to waive further proceedings, and the 17 commission's justification for its decision, a part of the 18 public record.

19 §11-_76 Contested case hearing. (a) A contested case
20 hearing shall be conducted pursuant to chapter 91 and any rules
21 adopted by the commission.



71

(b) The hearing shall be before the commission or a duly
 designated hearings officer. The commission or hearings officer
 shall not be bound by strict rules of evidence when conducting a
 hearing to determine whether a violation of this part has
 occurred, and the degree or quantum of proof required shall be a
 preponderance of the evidence.

7 (c) The commission or hearings officer, if there is no
8 dispute as to the facts involved in a particular matter, may
9 permit the parties to proceed by memoranda of law in lieu of a
10 hearing unless the procedure would unduly burden any party or is
11 otherwise not conducive to the ends of justice.

12 (d) A record shall be made of the proceeding.

13 (e) All parties shall be afforded full opportunity to14 present evidence and argument on all issues involved.

15 Any person who appears before the commission or (f) 16 hearings officer shall have all of the rights, privileges, and 17 responsibilities of a witness appearing before the courts of 18 this State. All witnesses summoned before the commission or 19 hearings officer shall receive reimbursements as paid in like 20 circumstances in the courts of this State. Any person whose 21 name is mentioned during a proceeding before the commission or 22 hearings officer and who may be adversely affected thereby, may HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC*

Proposed 1 appear or file a written statement for incorporation into the 2 record of the proceeding. 3 (q) A hearings officer shall render a recommended decision for the commission's consideration. Any party adversely 4 5 affected by the decision may file written exceptions with the 6 commission within fifteen days after receipt of a copy of the 7 decision by certified mail. 8 The commission, as expeditiously as possible, after (h) 9 the close of the commission's hearing or receipt of the hearings 10 officer's recommended decision, shall issue its final 11 determination of violation together with separate findings of 12 fact and conclusions of law regarding whether a violation of 13 this part has been committed. 14 **§11- 77 Dismissal.** The complaint shall be dismissed if 15 the commission makes a final determination that there is no

128

H.D. 1 S.D. 1

72

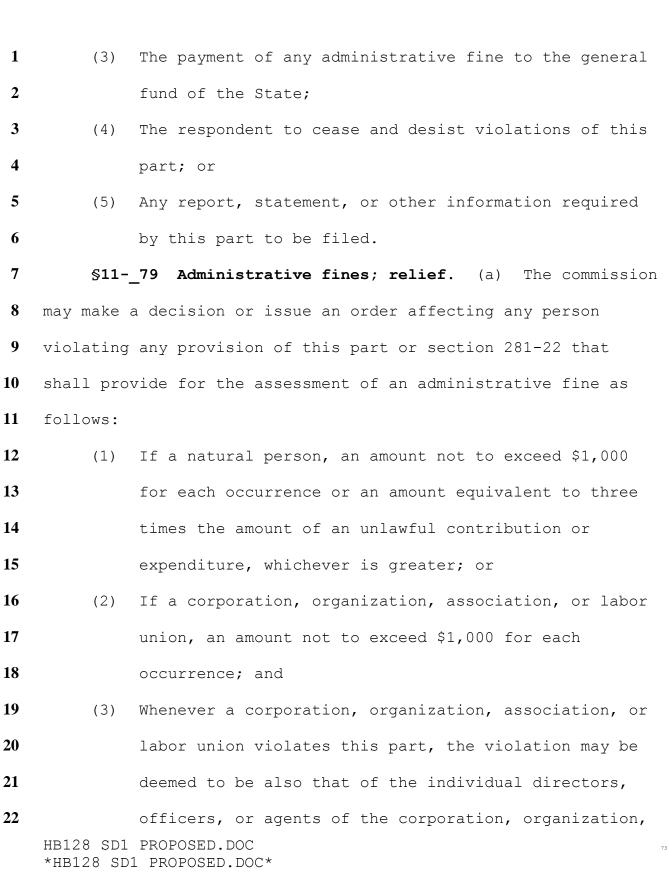
H.B. NO.

16 violation of this part.

17 §11-_78 Final determination of violation; order. If the 18 commission makes a final determination of a violation of this 19 part, its written decision with findings of fact and conclusions 20 of law may order:

21 (1) The return of any contribution;

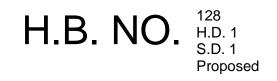
22 (2) The reimbursement of any unauthorized expenditure; HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC*



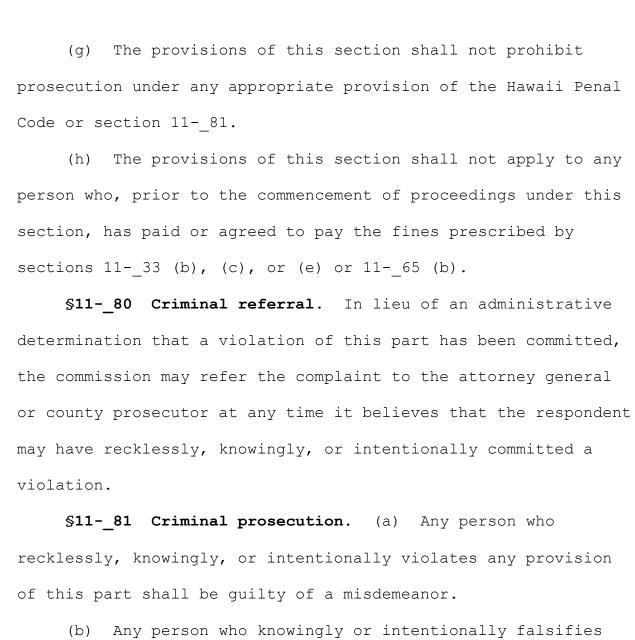
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HB128 SD1 PROPOSED.DOC



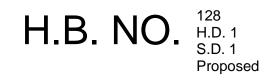
1 association, or labor union, who have knowingly 2 authorized, ordered, or done any of the acts 3 constituting the violation. 4 (b) Any order for the assessment of an administrative fine 5 may not be issued against a person without providing the person 6 written notice and an opportunity to be heard at a hearing 7 conducted under chapter 91. A person may waive these rights by 8 written stipulation or consent. 9 (c) If an administrative fine is imposed upon a candidate, 10 the commission may order that the fine, or any portion, be paid 11 from the candidate's personal funds. 12 If the person to whom the commission's order is (d) 13 directed does not comply with the order, the first circuit court, upon application of the commission, shall issue an order 14 15 requiring the person to comply with the commission's order. 16 Failure to obey such a court order shall be punished as 17 contempt. Any administrative fine collected by the commission 18 (e) 19 shall be deposited in the general fund of the State. 20 (f) Any person or the commission may sue for injunctive 21 relief to compel compliance with this part.



H.D. 1 S.D. 1 Proposed

H.B. NO.

18 any report required by this part with the intent to circumvent 19 the law or deceive the commission or who violates section 11-_41 20 or 11-_42 shall be guilty of a class C felony. A person charged 21 with a class C felony shall not be eligible for a deferred



acceptance of guilty plea or nolo contendere plea under chapter
 853.

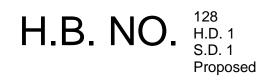
3 (c) A person who is convicted under this section shall be
4 disqualified from holding elective public office for a period of
5 four years from the date of conviction.

6 (d) For purposes of prosecution for violation of this
7 part, the offices of the attorney general and the prosecuting
8 attorney of the respective counties shall be deemed to have
9 concurrent jurisdiction to be exercised as follows:

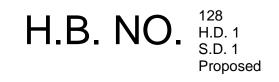
10 (1) Prosecution shall commence with a written request from 11 the commission or upon the issuance of an order of the 12 court; provided that prosecution may commence prior to 13 any proceeding initiated by the commission or final 14 determination;

15 (2) In the case of state offices, parties, or issues, the
16 attorney general or the prosecuting attorney for the
17 city and county of Honolulu shall prosecute any
18 violation; and

19 (3) In the case of all other offices, parties, or issues,
20 the attorney general or the prosecuting attorney for
21 the respective county shall prosecute any violation.



| 1 | In the commission's choice of prosecuting agency, it shall |
|----|--|
| 2 | be guided by whether there will be any conflicting interest |
| 3 | between the agency and its appointive authority. |
| 4 | (e) The court shall give priority to the expeditious |
| 5 | processing of prosecutions under this section. |
| 6 | (f) Prosecution for violations of this part shall not be |
| 7 | commenced after five years have elapsed from the date of the |
| 8 | violation or date of filing of the report covering the period in |
| 9 | which the violation occurred, whichever is later. |
| 10 | (g) The provisions of this section shall not apply to any |
| 11 | person who, prior to the commencement of proceedings under this |
| 12 | section, has paid or agreed to pay the fines prescribed by |
| 13 | sections 1133(b), (c), or (e) or 1165(b). |
| 14 | J. Partial Public Financing |
| 15 | §1185 Hawaii election campaign fund; creation. (a) The |
| 16 | Hawaii election campaign fund is created as a trust fund within |
| 17 | the state treasury. |
| 18 | (b) The fund shall consist of: |
| 19 | (1) All moneys collected from persons who have designated |
| 20 | a portion of their income tax liability to the fund as |
| 21 | provided in section 235-102.5; |
| 22 | (2) Any general fund appropriations; and |
| | HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC* |



(3) Other moneys collected pursuant to this part.
 (c) Moneys in this fund shall be paid to candidates by the
 comptroller as prescribed in section 11-_96 and may be used for
 the commission's operating expenses, including staff salaries
 and fringe benefits.

6 §11-_86 Depletion of fund. (a) The commission shall be
7 under no obligation to provide moneys to candidates unless there
8 are two years of budgeted expenses in reserve in the Hawaii
9 election campaign fund.

10 (b) If the commission determines that the Hawaii election
11 campaign fund is unable to fund all requests for public funds
12 for the partial public funding program and comprehensive public
13 funding program for elections to the county of Hawaii council
14 the amounts available to candidates from the fund shall be based
15 on the date an application for public funds filed pursuant to
16 section 11- 95 is approved by the commission.

17 \$11-_87 Voluntary expenditure limits; filing affidavit.
18 (a) A candidate may file an affidavit with the commission
19 agreeing to limit aggregate expenditures by the candidate,
20 including coordinated activity by any person for the benefit of
21 the candidate in cooperation, consultation, or concert with, or
22 at the request or suggestion of the candidate, candidate
HB128 SD1 PROPOSED.DOC
HB128 SD1 PROPOSED.DOC
HB128 SD1 PROPOSED.DOC

1 committee, or their agents, to the amounts specified in 2 subsection (d).

3 (b) The affidavit shall be subscribed by the candidate,
4 notarized, and filed no later than the time of filing nomination
5 papers with the chief election officer or county clerk.

128

H.D. 1 S.D. 1 Proposed

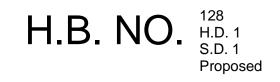
79

H.B. NO.

6 (c) The affidavit shall remain effective until the
7 termination of the candidate committee or the opening of filing
8 of nomination papers for the next succeeding election, whichever
9 occurs first. An affidavit filed under this section may not be
10 rescinded.

11 (d) From January 1 of the year of any primary, first 12 special, or first nonpartisan, general, second special, or 13 second nonpartisan election, aggregate expenditures for each 14 election by a candidate who filed the affidavit pursuant to 15 subsection (a) shall not exceed the number of registered voters 16 in the last preceding general, second special, or second 17 nonpartisan election in each respective voting district 18 multiplied by the following amounts:

- 19 (1) For the office of governor-\$2.50;
- 20 (2) For the office of lieutenant governor-\$1.40;
- 21 (3) For the office of mayor-\$2.00;



1 (4) For the offices of state senator, state 2 representative, and county council member-\$1.40; and 3 For the offices of Hawaiian affairs and the board of (5) 4 education and all other offices-20 cents. 5 **§11- 88 Reduced filing fee.** A candidate who files the 6 affidavit pursuant to section 11- 87 shall receive a discounted 7 filing fee as provided in section 12-6. 8 **§11- 89 Tax deduction for qualifying contributions.** (a) 9 An individual resident of Hawaii may claim a state income tax 10 deduction pursuant to section 235-7(g)(2), for contributions to 11 a candidate who files an affidavit pursuant to section 11-87 and complies with the expenditure limit. 12 13 The commission shall forward a copy of the affidavit (b) 14 to the director of taxation upon request. 15 If a candidate has not filed the affidavit, the (C) 16 candidate shall inform all contributors in writing immediately 17 upon receipt of the contribution that they are not entitled to a tax deduction for their contributions to the candidate and the 18 19 director of taxation shall not allow any contributor to take a 20 deduction, pursuant to section 235-7(g)(2), for any contribution 21 to the candidate.



(d) The affidavit shall remain effective until the
 termination of the candidate committee or the opening of filing
 of nomination papers for the next succeeding election, whichever
 occurs first. An affidavit filed under this section may not be
 rescinded.

§11-_90 Maximum amount of public funds available to
candidate. (a) The maximum amount of public funds available in
each election to a candidate for the office of governor,
lieutenant governor, or mayor shall not exceed ten per cent of
the expenditure limit established in section 11-_87(d) for each
election.

(b) The maximum amount of public funds available in each election to a candidate for the office of state senator, state representative, county council member, and prosecuting attorney shall not exceed fifteen per cent of the expenditure limit established in section 11- 87(d) for each election.

17 (c) For the office of Hawaiian affairs, the maximum amount
18 of public funds available to a candidate shall not exceed \$1,500
19 in any election year.

20 (d) For the board of education and all other offices, the 21 maximum amount of public funds available to a candidate shall 22 not exceed \$100 in any election year. HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC*

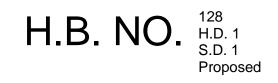
| 1 | §11- | _91 Candidate exceeds voluntary expenditure limit. A |
|----|-----------|--|
| 2 | candidate | who files the affidavit agreeing to limit expenditures |
| 3 | and who e | xceeds the expenditure limit for that election shall: |
| 4 | (1) | Notify all opponents, the chief election officer, and |
| 5 | | the commission by telephone and writing on the day the |
| 6 | | expenditure limit is exceeded; |
| 7 | (2) | Immediately return all public funds to the commission; |
| 8 | (3) | Pay the balance of the full filing fee to the chief |
| 9 | | election officer; and |
| 10 | (4) | Provide reasonable notice to all contributors within |
| 11 | | thirty days of exceeding the limit that the |
| 12 | | expenditure limit was exceeded and contributions to |
| 13 | | the candidate no longer qualify for a state income tax |
| 14 | | deduction. |
| 15 | §11- | _92 Reserving use of contributions. A candidate who |
| 16 | files the | affidavit voluntarily agreeing to limit expenditures |
| 17 | and who r | eceives contributions that in aggregate exceed the |
| 18 | expenditu | re limit for an election shall reserve use of any |
| 19 | contribut | ions that exceed the limit until after the applicable |
| 20 | election. | |

128 H.D. 1 S.D. 1

Proposed

82

H.B. NO.



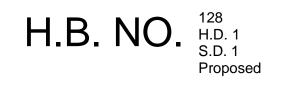
| 1 | §11 | 93 Eligibility requirements for public funds. In |
|----|------------|--|
| 2 | order to b | e eligible to receive public funds for an election, a |
| 3 | candidate | shall meet all the following requirements: |
| 4 | (1) | The candidate is qualified to be on the ballot in the |
| 5 | | election and is opposed by another candidate for |
| 6 | | the same office in the same election; |
| 7 | (2) | The candidate shall mail or deliver to the commission: |
| 8 | | (A) A statement of intent to seek public funds; |
| 9 | | (B) The affidavit required by section 1187 no later |
| 10 | | than the time of filing nomination papers with |
| 11 | | the chief election officer or county clerk; |
| 12 | | (C) A copy of the electronically filed statement of |
| 13 | | qualifying contributions, provided that |
| 14 | | contributions received before filing the |
| 15 | | statement of intent to seek public funds are not |
| 16 | | qualifying contributions; and |
| 17 | | (D) An application for public funds; |
| 18 | (3) | The candidate electronically files a statement of |
| 19 | | qualifying contributions; |
| 20 | (4) | The candidate agrees to obtain and furnish any |
| 21 | | evidence relating to expenditures which the commission |
| 22 | | may request; |
| | *HB128 SD1 | PROPOSED.DOC * PROPOSED.DOC* |

| Page 84 | H.B. NO. ¹²⁸ H.D. 1 S.D. 1 Proposed |
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| (5) | The candidate agrees to keep and furnish records, |
| | books, and other information which the commission may |
| | request; and |
| (6) | The candidate agrees to an audit and examination by |
| | the commission pursuant to section 1199 and to pay |
| | any amounts required to be paid pursuant to that |
| | section. |
| §11- | -94 Minimum qualifying contribution amounts; |
| qualifyin | ag contribution statement. (a) A candidate is required |
| to receiv | ve the following minimum qualifying contribution amounts |
| during th | ne matching payment period: |
| (1) | For the office of governor-qualifying contributions |
| | that in the aggregate, exceed \$100,000; |
| (2) | For the office of lieutenant governor-qualifying |
| | contributions that in the aggregate, exceed \$50,000; |
| (3) | For the office of mayor for each respective county: |
| | (A) County of Honolulu-qualifying contributions that |
| | in the aggregate, exceed \$50,000; |
| | (B) County of Hawaii-qualifying contributions that in |
| | the aggregate, exceed \$15,000; |
| | (C) County of Maui-qualifying contributions that in |
| | the aggregate, exceed \$10,000; and |

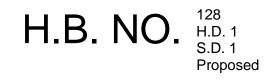
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| 1 | | (D) | County of Kauai-qualifying contributions that in |
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| 2 | | | the aggregate, exceed \$5,000; and |
| 3 | (4) | For | the office of prosecuting attorney for each |
| 4 | | resp | pective county: |
| 5 | | (A) | County of Honolulu-qualifying contributions that |
| 6 | | | in the aggregate, exceed \$30,000; |
| 7 | | (B) | County of Hawaii-qualifying contributions that in |
| 8 | | | the aggregate, exceed \$10,000; and |
| 9 | | (C) | County of Kauai-qualifying contributions that in |
| 10 | | | the aggregate, exceed \$5,000; |
| 11 | (5) | For | the office of county council-for each respective |
| 12 | | cour | ity: |
| 13 | | (A) | County of Honoluluqualifying contributions that |
| 14 | | | in the aggregate, exceed \$5,000; |
| 15 | | (B) | County of Hawaii-qualifying contributions that in |
| 16 | | | the aggregate, exceed \$1,500; |
| 17 | | (C) | County of Maui-qualifying contributions that in |
| 18 | | | the aggregate, exceed \$5,000; and |
| 19 | | (D) | County of Kauai-qualifying contributions that in |
| 20 | | | the aggregate, exceed \$3,000; |
| 21 | (6) | For | the office of state senator-qualifying |
| 22 | | cont | ributions that, in the aggregate, exceed \$2,500; |
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| 1 | (7) | For the office of state representative-qualifying |
|----|-----------|--|
| 2 | | contributions that, in the aggregate, exceed \$1,500; |
| 3 | (8) | For the office of Hawaiian affairs-qualifying |
| 4 | | contributions that, in the aggregate, exceed \$1,500; |
| 5 | | and |
| 6 | (9) | For the board of education and all other offices, |
| 7 | | qualifying contributions that, in the aggregate, |
| 8 | | exceed \$500. |
| 9 | (b) | A candidate shall obtain the minimum qualifying |
| 10 | contribut | ion amount set forth in subsection (a), once for the |
| 11 | election | period. |
| 12 | (1) | If the candidate, except for a candidate for the |
| 13 | | office of Hawaiian affairs and the board of education, |
| 14 | | obtains the minimum qualifying contribution amount, |
| 15 | | the candidate is eligible to receive: |
| 16 | | (A) The minimum payment in an amount equal to the |
| 17 | | minimum qualifying contribution amounts; and |
| 18 | | (B) Payments of \$1 for each \$1 of qualifying |
| 19 | | contributions in excess of the minimum qualifying |
| 20 | | contribution amounts. |
| 21 | (2) | A candidate for the office of Hawaiian affairs who |
| 22 | | obtains the minimum qualifying contribution amount is |
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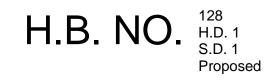
HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC*

H.B. NO. ¹²⁸ H.D. 1 S.D. 1 Proposed

87

| 1 | | eligible to receive a maximum of \$1,500 in any |
|----|-----------|--|
| 2 | | election year. |
| 3 | (3) | A candidate for the board of education who obtains the |
| 4 | | minimum qualifying contribution amount is eligible to |
| 5 | | receive a maximum of \$100 in any election year |
| 6 | (C) | The candidate shall not receive more than the maximum |
| 7 | amount of | public funds available to a candidate pursuant to |
| 8 | section 1 | 190; provided that the candidate shall not receive |
| 9 | public fu | nds for a primary, first special, or first nonpartisan |
| 10 | primary e | lection if the candidate does not obtain the minimum |
| 11 | qualifyin | g contribution amounts before the date of the primary, |
| 12 | first spe | cial, or first nonpartisan primary election. |
| 13 | (d) | The candidate shall obtain the minimum qualifying |
| 14 | contribut | ion amount before submitting the initial application |
| 15 | for publi | c funds. |
| 16 | (e) | The statement of qualifying contributions shall |
| 17 | include: | |
| 18 | (1) | The printed names and addresses of the individual |
| 19 | | residents of Hawaii who made the qualifying |
| 20 | | contribution during the matching payment period, and |
| 21 | (2) | The amount and date of deposit of each qualifying |
| 22 | | contribution. |
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HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC*



| 1 | (f) | As used in this section, "matching payment period" |
|----|-----------|---|
| 2 | means: | |
| 3 | (1) | For a primary, first special, or first nonpartisan |
| 4 | | election, from January 1 of the year of the election |
| 5 | | through the day of the primary, first special, or |
| 6 | | first nonpartisan primary election; and |
| 7 | (2) | For a general, second special, or second nonpartisan |
| 8 | | election, from January 1 of the year of a general |
| 9 | | election through the day of the general, second |
| 10 | | special, or second nonpartisan election. |
| 11 | §11- | _95 Application for public funds. (a) Each |
| 12 | applicati | on for public funds shall be: |
| 13 | (1) | Signed by the candidate and notarized; and |
| 14 | (2) | Accompanied by a copy of the electronically filed |
| 15 | | statement of qualifying contributions. |
| 16 | (b) | The application shall be mailed or delivered to the |
| 17 | commissio | n no later than thirty days after the general election. |
| 18 | (C) | A candidate who receives funds for a primary, first |
| 19 | special, | or first nonpartisan primary election and is a |
| 20 | candidate | in the subsequent general, second special, or second |
| 21 | nonpartis | an election is required to mail or deliver another |

application to the commission to receive public funds for the
 subsequent election.

128

H.D. 1 S.D. 1 Proposed

89

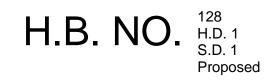
H.B. NO.

3 **§11- 96 Payment to candidate.** (a) Upon the commission's 4 approval of the application and statement of qualifying 5 contributions, the commission shall direct the comptroller to 6 distribute matching public funds up to the maximum amount of public funds allowed by section 11- 90. Public funds shall be 7 8 distributed to the candidate within twenty days from the date 9 the candidate's initial application and qualifying contribution 10 statement is approved by the commission.

11 (b) The commission shall make additional determinations 12 within fourteen days after receiving a complete application and 13 supplemental statement of qualifying contributions from a 14 candidate.

15 (c) All determinations made by the commission under this 16 section are final and conclusive, except to the extent they are 17 subject to examination and audit by the commission under section 18 11-99.

19 §11-_97 Use of public funds. (a) Public funds shall be 20 deposited in a depository institution, as defined in section 21 412:1-109, duly authorized to do business in the State, such as 22 a bank, savings bank, savings and loan association, depository HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC*



| 1 | financial services loan company, credit union, intra-Pacific |
|----|--|
| 2 | bank, or similar financial institution, the deposits or accounts |
| 3 | of which are insured by the Federal Deposit Insurance |
| 4 | Corporation, or the National Credit Union Administration. |
| 5 | (b) No expenditures of any public funds shall be made |
| 6 | except by checks drawn on such checking account. |
| 7 | (c) Public funds shall be only used to: |
| 8 | (1) Defray expenditures of the candidate; and |
| 9 | (2) Repay loans, the proceeds of which were used to defray |
| 10 | expenditures. |
| 11 | (d) Public funds shall not be transferred to another |
| 12 | candidate for any election. |
| 13 | (e) Unexpended public funds shall be returned to the |
| 14 | commission by the deadline for filing the final report for the |
| 15 | election that the funds were received for. |
| 16 | §1198 Post-election report required. The treasurer |
| 17 | shall electronically submit an expenditure of public funds |
| 18 | report to the commission no later than twenty days after a |
| 19 | primary, first special, or first nonpartisan primary election |
| 20 | and no later than thirty days after a general, second special, |
| 21 | or second nonpartisan election certifying that all public funds |
| 22 | paid to the candidate have been used as required by this part. HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC* |

§11- 99 Post-election examination and audit; return of 1 2 funds. (a) The commission shall examine and audit the public 3 funds received by all candidates, qualifying contributions, and the expenditures made by all candidates within sixty days after 4 each general, second special, or second nonpartisan election. 5 6 (b) The commission shall promulgate rules regarding 7 expenditures which qualify under section 11- 97. 8 (C) If the commission determines that any payment of 9 public funds to a candidate exceeded the aggregate amount to 10 which the candidate was entitled, the commission shall notify 11 the candidate within two years of the payment of the public 12 funds and the candidate shall repay the excess amount to the 13 Hawaii election campaign fund. If the commission does not 14 notify the candidate within two years the excess payment does 15 not have to be repaid. 16 (d) If the commission determines that any public funds 17 were used for any improper purpose, the commission shall notify

18 the candidate, and the candidate shall pay to the Hawaii 19 election campaign fund an amount equal to three hundred per cent 20 of such amount in addition to any fines under section 11-_79 and 21 section 11- 81.

HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC*

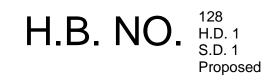
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128

H.D. 1

Proposed

H.B. NO.



| 1 | §11 | _100 Report and recommendation. In January of each |
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| 2 | year, the | commission may submit to the legislature: |
| 3 | (1) | Proposed legislation for reasonable expenditure and |
| 4 | | contribution limits, along with relevant justification |
| 5 | | for the legislation; |
| 6 | (2) | A report concerning the status of the Hawaii election |
| 7 | | campaign fund; and |
| 8 | (3) | A request for an appropriation if the total amounts of |
| 9 | | revenues comprising the fund are insufficient to |
| 10 | | provide public funds for the partial public funding |
| 11 | | program and comprehensive public funding program for |
| 12 | | elections to the county of Hawaii council." |
| 13 | | PART III |
| 14 | SECT | ION 3. Chapter 11, Part XII, Subpart B is repealed. |
| 15 | | PART IV |
| 16 | SECT | ION 4. This Act does not affect rights and duties that |
| 17 | matured,] | penalties that were incurred, and proceedings that were |
| 18 | begun, be: | fore its effective date. |
| 19 | SECT | ION 5. If any provision of this Act, or the |
| 20 | applicatio | on thereof to any person or circumstance is held |
| 21 | invalid, | the invalidity shall not affect other provisions or |
| 22 | | ons of the Act, which can be given effect without the |
| | *HB128 SD3 | PROPOSED.DOC ⁹² 1 PROPOSED.DOC* 1 PROPOSED.DOC* |

1 invalid provision or application, and to this end the provisions 2 of this Act are severable.

3 SECTION 6. Any Act relating to Hawaii Revised Statutes 4 chapter 11, part XII, subpart B passed by the legislature during 5 this Regular Session of 2009, whether enacted before or after 6 the effective date of this Act, shall be effective according to 7 its terms, notwithstanding the passage of this Act, and any 8 provision of this Act which is contrary to such act shall be 9 amended to conform to that act, regardless of the effective date 10 of that act. The revisor of statutes shall incorporate the 11 terms of any such act into their appropriate places in this Act. 12 SECTION 7. In codifying the new sections added by part II 13 of this Act, the revisor of statutes shall substitute 14 appropriate section numbers for the numbers used in designating 15 the new sections in this Act.

16 SECTION 8. Statutory material to be repealed is bracketed 17 and stricken. New statutory material is underscored.

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SECTION 9. This Act shall take effect on January 1, 2010.

HB128 SD1 PROPOSED.DOC *HB128 SD1 PROPOSED.DOC* *HB128 SD1 PROPOSED.DOC*

93

128

H.D. 1 S.D. 1 Proposed

H.B. NO.

H.B. NO. 128 H.D. 1 S.D. 1 Proposed

Report Title:

Elections; campaign spending.

Description:

Organizes, clarifies, updates, and recodifies campaign finance laws and allows use of campaign funds to make donations to public schools and libraries.