

JAN 23 2015

A BILL FOR AN ACT

RELATING TO CAMPAIGN FINANCE.

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

1 SECTION 1. The legislature finds that the Hawaii election
2 campaign fund is the source of funding for the State's partial
3 public funding program. The fund has been significantly
4 depleted since 2009, when state law was changed to divert
5 various campaign spending fines to the general fund, rather than
6 the Hawaii election campaign fund, and to make the Hawaii
7 election campaign fund the source of funding for the campaign
8 spending commission's operating expenses.

9 The purpose of this Act is to replenish and establish a
10 consistent source of funding for the partial public funding
11 program by:

- 12 (1) Requiring various campaign spending fines to be
13 deposited into the Hawaii election campaign fund;
14 (2) Requiring the campaign spending commission's operating
15 expenses to be paid from the general fund; and



- (3) Authorizing the campaign spending commission to use moneys from the Hawaii election campaign fund for investigation expenses rather than operating expenses.

SECTION 2. Section 11-314, Hawaii Revised Statutes, is amended to read as follows:

"§11-314 Duties of the commission[-]; operating expenses.

(a) The duties of the commission under this part are to:

- (1) Develop and adopt forms required by this part;
- (2) Adopt and publish a manual for all candidates, candidate committees, and noncandidate committees, describing the requirements of this part, including uniform and simple methods of recordkeeping;
- (3) Preserve all reports required by this part for at least ten years from the date of receipt by the commission;
- (4) Permit the inspection, copying, or duplication of any report required by this part pursuant to rules adopted by the commission under chapter 91; provided that this paragraph shall not apply to the sale or use of information under section 11-344;



- (5) Ascertain whether any person has failed to file a report required by this part or has filed a substantially defective or deficient report. The commission shall notify the person by first class mail that a fine may be assessed for the failure to file or the filing of a substantially defective or deficient report, and the defective or deficient report shall be corrected and explained. All fines collected under this section as authorized by sections 11-340 and 11-410 shall be deposited in the ~~[general fund of the State,]~~ Hawaii election campaign fund under section 11-421;
- (6) Hold public hearings;
- (7) Investigate and hold hearings for receiving evidence of any violations pursuant to subpart I of this part;
- (8) Adopt rules pursuant to chapter 91;
- (9) Request the initiation of prosecution for the violation of this part pursuant to section 11-411;
- (10) Administer and monitor the distribution of public funds under this part;



(11) Suggest accounting methods for candidates, candidate committees, or noncandidate committees in connection with reports and records required by this part;

(12) Employ or contract with, without regard to chapters 76, 78, and 89, persons it finds necessary for the performance of its functions, including a full-time executive director, and to fix their compensation; provided that the commission shall have the authority, at its discretion, to dismiss persons employed by or contracted with the commission;

(13) Conduct random audits and field investigations, as necessary; and

(14) File for injunctive relief when indicated.

(b) The general fund of the State shall be used for the operating expenses of the commission, including staff salaries and fringe benefits."

SECTION 3. Section 11-340, Hawaii Revised Statutes, is amended by amending subsection (g) to read as follows:

"(g) All fines collected under this section shall be deposited into the [~~general fund.~~] Hawaii election campaign fund under section 11-421."



1 SECTION 4. Section 11-391, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) The fine for violation of this section, if assessed
4 by the commission, shall not exceed \$25 for each advertisement
5 that lacks the information required by this section or provides
6 prohibited information, and shall not exceed an aggregate amount
7 of \$5,000. All fines collected under this section shall be
8 deposited in the Hawaii election campaign fund under section
9 11-421."

10 SECTION 5. Section 11-410, Hawaii Revised Statutes, is
11 amended by amending subsection (e) to read as follows:

12 "(e) Any administrative fine collected by the commission
13 shall be deposited in the [~~general fund of the State.~~] Hawaii
14 election campaign fund under section 11-421."

15 SECTION 6. Section 11-421, Hawaii Revised Statutes, is
16 amended by amending subsections (b) and (c) to read as follows:

17 "(b) The fund shall consist of:

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

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



(3) All fees collected pursuant to sections 11-340,
11-391, and 11-410; and

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

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

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

SECTION 8. This Act shall take effect upon its approval.

INTRODUCED BY:

Rose Bl
Glenn Thul
Randy H. Baker
Josh M
St. Pierre
Breanne Hunt
Will Eyro
Lorraine R. Swartz



S.B. NO. 577

Report Title:

Campaign Finance; Hawaii Election Campaign Fund; Fees; Operating Expenses

Description:

Requires any fees assessed by the campaign spending commission to be deposited into the Hawaii election campaign fund. Requires that general funds, rather than moneys from the Hawaii election campaign fund, be used for the operating expenses of the campaign spending commission. Authorizes the campaign spending commission to use moneys from the Hawaii election campaign fund for investigation expenses.

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

