JAN 2 3 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 purpose of this Act is to establish a
- 2 public funding program for elections to the state house of
- 3 representatives to begin with the 2016 election.
- 4 SECTION 2. Chapter 11, Hawaii Revised Statutes, is amended
- 5 by adding a new subpart to part XIII to be appropriately
- 6 designated and to read as follows:
- 7 " . Comprehensive Public Funding for Elections to the State
- 8 House of Representatives
- 9 §11-A Definitions. Except for terms that are specifically
- 10 defined in this subpart, terms that are defined under section
- 11 11-302 shall apply to this subpart. When used in this subpart,
- 12 unless the context clearly requires otherwise:
- "Candidate" means an individual who is a candidate as
- 14 defined in section 11-302 who seeks nomination for election or
- 15 seeks election to the state house of representatives.
- "Candidate committee" means a candidate committee as
- 17 defined in section 11-302 established on behalf of a candidate



- 1 who seeks nomination for election or seeks election to the state
- 2 house of representatives.
- 3 "Certification for public funding" means the decision by
- 4 the commission that a candidate is certified to receive public
- 5 funding in accordance with this subpart.
- 6 "Certified candidate" or "publicly-funded candidate" means
- 7 a candidate who is certified by the commission as eligible for
- 8 public funding under this subpart and who agrees to abide by the
- 9 requirements of this subpart.
- 10 "Commission" means the campaign spending commission.
- "Contested election" means, in a primary election, a
- 12 certified candidate is opposed by one or more candidates for
- 13 nomination and, in a general election, the certified candidate
- 14 is opposed by one or more candidates for election to office.
- "Declaration of intent to seek public funding" means the
- 16 form completed by a candidate seeking public funding under this
- 17 subpart, the filing of which triggers the candidate's ability to
- 18 begin raising and spending seed money contributions and
- 19 collecting qualifying names and contributions.
- 20 "District" means the respective representative district
- 21 from which the candidate seeks election.

| 1  | "Gener      | al election year" means the period commencing        |
|----|-------------|--|
| 2  | January 1 o | of an even-numbered year in which a general election |
| 3  | is held and | ending on the general election day.                  |
| 4  | "Publi      | c funding" or "public funds" means campaign funds    |
| 5  | from the Ha | waii election campaign fund under section 11-421,    |
| 6  | received by | a certified candidate pursuant to this subpart.      |
| 7  | "Quali      | fying contribution" means a monetary contribution    |
| 8  | that is:    |  |
| 9  | (1) M       | Made to a candidate or candidate committee who has   |
| 10 | f           | iled a declaration of intent to seek public funding  |
| 11 | f           | for the purposes of meeting the application criteria |
| 12 | C           | of section 11-F;                                     |
| 13 | (2) M       | Made in cash or in the form of a check or a money    |
| 14 | C           | order payable to the Hawaii election campaign fund;  |
| 15 | â           | and  |
| 16 | (3) A       | Accompanied by the contributor's printed name,       |
| 17 | r           | residence address, and signature affirming and       |
| 18 | â           | acknowledging that:                                  |
| 19 | (           | (A) The contribution was made from the contributor's |
| 20 |             | personal funds;                                      |

| 1  | (B) N            | othing of value was received in exchange for the  |
|----|------------------|---|
| 2  | Ç                | ualifying name and contribution; and              |
| 3  | (C) V            | iolation of the public funding law may result in  |
| 4  | ā                | n administrative fine or criminal prosecution.    |
| 5  | "Qualifying      | period" means the period beginning on July 1 in   |
| 6  | the year prior t | o the general election year and ending on         |
| 7  | December 31 in t | he year prior to the general election year or     |
| 8  | ending upon the  | candidate's filing of the application for         |
| 9  | certification fo | or public funding, whichever shall come first,    |
| 10 | during which a c | andidate or candidate committee may collect       |
| 11 | qualifying names | and qualifying contributions to qualify for       |
| 12 | public funding u | under this subpart; provided that the commission  |
| 13 | has determined p | oursuant to section 11-R that the Hawaii election |
| 14 | campaign fund ha | s sufficient funds to make payments to publicly   |
| 15 | funded candidate | s during the election period.                     |
| 16 | "Seed money      | " means contributions made to a candidate or      |
| 17 | candidate commit | tee by an individual in accordance with section   |
| 18 | 11-E and expende | d for the purpose of determining campaign         |
| 19 | viability.       |   |
| 20 | "Surplus ca      | mpaign funds" means any campaign contributions    |
| 21 | not spent during | a prior election period by a candidate or         |

| 1  | Candidate | committee who previously sought election as a          |
|----|-----------|--|
| 2  | privately | -funded candidate.                                     |
| 3  | §11-      | B Applicability. This subpart shall apply to           |
| 4  | elections | for the office of state representative.                |
| 5  | §11-      | C Qualifications for public funding for state          |
| 6  | represent | ative candidates. A candidate may seek public funding  |
| 7  | under thi | s subpart if the candidate or candidate committee, as  |
| 8  | applicabl | e:   |
| 9  | (1)       | Resides in the district from which election is sought  |
| 10 |           | as of the date of the filing of nomination papers for  |
| 11 |           | the primary election in the general election year in   |
| 12 |           | which the candidate seeks to be nominated or elected;  |
| 13 | (2)       | Is a registered voter in the district from which       |
| 14 |           | election is sought;                                    |
| 15 | (3)       | Files a declaration of intent to seek public funding   |
| 16 |           | with the commission between July 1 of the year prior   |
| 17 |           | to the election year and December 31 in the year prior |
| 18 |           | to the general election year;                          |
| 19 | (4)       | Collects qualifying names and contributions in         |
| 20 |           | accordance with section 11-F;                          |

| 1  | (5)       | Accepts only the following contributions upon filing a   |
|----|-----------|--|
| 2  |           | declaration of intent to seek public funding:            |
| 3  |           | (A) Seed money contributions; and                        |
| 4  |           | (B) Qualifying contributions; and                        |
| 5  | (6)       | Files an application for certification for public        |
| 6  |           | funding with the commission by December 31 of the year   |
| 7  |           | prior to the general election year.                      |
| 8  | §11-      | D Campaign finance requirements. Candidates and          |
| 9  | candidate | committees shall comply with all registration,           |
| 10 | reporting | , contribution, expenditure, and disclosure              |
| 11 | requireme | nts under this chapter in addition to any requirements   |
| 12 | establish | ed under this subpart.                                   |
| 13 | §11-      | E Seed money contributions; limitations on use of seed   |
| 14 | money; pe | nalties. (a) The use of seed money shall be limited      |
| 15 | to expend | itures necessary to determine whether sufficient         |
| 16 | support e | xists for a candidate to run for office as a publicly-   |
| 17 | funded ca | ndidate.   |
| 18 | (b)       | The amount of seed money received, expended, or both,    |
| 19 | by a cand | idate or candidate committee seeking eligibility for     |
| 20 | public fu | nding under this subpart shall not exceed \$3,000, which |
| 21 | shall inc | lude any personal funds, surplus campaign funds, or      |

- 1 contributions received from individuals that the candidate or
- 2 candidate committee may choose to use.
- 3 (c) A candidate or candidate committee seeking eligibility
- 4 for public funding shall not accept contributions of seed money
- 5 from any individual whose contributions are prohibited under
- 6 subpart E. All contributors whose seed money has been accepted
- 7 shall be issued a receipt by the candidate or candidate
- 8 committee in a form prescribed by the commission pursuant to
- 9 section 11-Q.
- (d) Seed money shall not be collected or expended after
- 11 the candidate has been certified as a publicly-funded candidate
- 12 by the commission pursuant to section 11-G.
- (e) Any seed money contributions accepted in excess of
- 14 \$3,000 shall be deducted from the amount of public funding
- 15 provided to the certified candidate if the certified candidate
- 16 does not donate the unspent seed money to the Hawaii election
- 17 campaign fund.
- (f) A certified candidate or candidate committee who has
- 19 surplus campaign funds from a previous election is prohibited
- 20 from using those funds for anything other than in-office
- 21 constituent communications pursuant to section 11-L and seed

| -  | money pur | Duarre | to this section, provided that the seed money and  |
|----|-----------|--------|--|
| 2  | surplus c | ampai  | gn funds for the purposes of this section shall    |
| 3  | not excee | d \$3, | 000 in the aggregate. Any remaining surplus        |
| 4  | campaign  | funds  | shall be frozen and maintained in a separate       |
| 5  | depositor | y acc  | count from that established for the public funds   |
| 6  | under sec | tion   | 11-N. The candidate and candidate committee shall  |
| 7  | continue  | to fi  | le reports on the surplus campaign funds in        |
| 8  | accordanc | e wit  | h subpart D and as otherwise may be required by    |
| 9  | the commi | ssion  |  |
| 10 | §11-      | F Ap   | plication for public funds; qualifying names;      |
| 11 | qualifyin | g con  | tributions. (a) Candidates seeking certification   |
| 12 | for publi | c fun  | ding under this subpart shall submit an            |
| 13 | applicati | on fo  | or certification that contains:                    |
| 14 | (1)       | At 1   | east two hundred qualifying names accompanied by a |
| 15 |           | qual   | ifying contribution of \$5, in the same name; and  |
| 16 | (2)       | Each   | contributor's printed name, residence address,     |
| 17 |           | and    | signature affirming and acknowledging that:        |
| 18 |           | (A)    | The contribution was made from the contributor's   |
| 19 |           |        | personal funds;                                    |
| 20 |           | (B)    | Nothing of value was received in exchange for the  |
| 21 |           |        | qualifying name and contribution; and              |

| 1  | (C) Violation of the public funding law may result in            |
|----|--|
| 2  | an administrative fine or criminal prosecution.                  |
| 3  | (b) To be counted as a qualifying name and accompanying          |
| 4  | contribution, the name and contribution shall be from an         |
| 5  | individual who is a registered voter and resides within the      |
| 6  | respective representative district from which the candidate      |
| 7  | seeks nomination or election at the time the contribution is     |
| 8  | given. Nothing of value shall be given to the individual in      |
| 9  | exchange for the qualifying name and accompanying contribution.  |
| 10 | (c) No qualifying name and accompanying contribution shall       |
| 11 | be collected prior to a candidate filing a declaration of intent |
| 12 | to seek public funding with the commission.                      |
| 13 | (d) No qualifying name and accompanying contribution shall       |
| 14 | be collected by:   |
| 15 | (1) An individual paid by a candidate or candidate               |
| 16 | committee to solicit qualifying names; or                        |
| 17 | (2) An individual employed by a political party as defined       |
| 18 | in section 11-61 who is paid to solicit qualifying               |
| 19 | names.   |

- 1 (e) Candidates shall provide receipts for qualifying
- 2 contributions in a form prescribed by the commission pursuant to
- 3 section 11-Q.
- 4 (f) All qualifying contributions collected by a candidate
- 5 or candidate committee, regardless of whether the candidate is
- 6 certified, shall be deposited into the Hawaii election campaign
- 7 fund. Any moneys received above the required minimum qualifying
- $oldsymbol{8}$  amount shall be retained by the commission for the purposes of
- 9 the Hawaii election campaign fund.
- 10 (g) The candidate's application for certification for
- 11 public funding shall be submitted to the commission by
- 12 December 31 of the year prior to the general election year and
- 13 shall be signed by the candidate and the candidate's campaign
- 14 treasurer under penalty of perjury. The application shall
- 15 contain any other information deemed necessary and appropriate
- 16 by the commission.
- 17 §11-G Certification of qualification for public funds.
- 18 (a) The commission, in coordination with the clerk for the
- 19 county that includes the district from which election is sought,
- 20 shall verify that:

| 1  | ( 1 )     | The minimum required qualifying names and qualifying    |
|----|-----------|---|
| 2  |           | contributions were received from registered voters in   |
| 3  |           | the district from which the candidate seeks office;     |
| 4  | (2)       | The candidate resides in the district from which        |
| 5  |           | election is sought as of the date of the filing of      |
| 6  |           | nomination papers; and                                  |
| 7  | (3)       | The candidate is a registered voter in the district     |
| 8  |           | from which election is sought.                          |
| 9  | The clerk | for the county that includes the district from which    |
| 10 | election  | is sought shall provide to the commission any           |
| 11 | informati | on needed to make the verification, including the       |
| 12 | names, ad | dresses, and signatures of registered voters in that    |
| 13 | district. |   |
| 14 | (b)       | The commission shall issue a decision to certify or     |
| 15 | deny cert | ification of a candidate as a publicly-funded candidate |
|    |           |   |

(c) Initial certification and all determinations by the

completed application for certification for the receipt of

within ten business days following receipt of the candidate's

20 commission under this section are final and conclusive, except

public funds.

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| 1  | to the extent that they are subject to examination and audit by  |
|----|--|
| 2  | the commission under section 11-434.                             |
| 3  | §11-H Distribution of public funds to a certified                |
| 4  | candidate. (a) Each certified candidate pursuant to this         |
| 5  | subpart for the office of state representative shall receive the |
| 6  | amount calculated pursuant to paragraph (1) divided by the       |
| 7  | number calculated pursuant to paragraph (2):                     |
| 8  | (1) The total amount of expenditures of all winners for          |
| 9  | the office of state representative statewide in the              |
| 10 | immediately previous election period minus the sum of            |
| 11 | (A) The total of the three highest amounts of                    |
| 12 | expenditures among all winners for the office of                 |
| 13 | state representative statewide; and                              |
| 14 | (B) The total of the three lowest amounts of                     |
| 15 | expenditures among all winners for the office                    |
| 16 | state representative statewide,                                  |
| 17 | in the immediately previous election period; and                 |
| 18 | (2) The total number of winners for the office of state          |
| 19 | representative statewide in the immediately previous             |
| 20 | election period minus six.                                       |

| 1  | (b) opon the commission's approval of the application for        |
|----|--|
| 2  | certification for public funding, the commission shall direct    |
| 3  | the comptroller to distribute the public funds in the amount     |
| 4  | calculated pursuant to this section from the Hawaii election     |
| 5  | campaign fund by check or, when possible, by an automatic        |
| 6  | transfer of funds. Public funds shall be distributed to the      |
| 7  | candidate within twenty days of the date that the candidate's    |
| 8  | initial application is approved by the commission; provided that |
| 9  | the candidate submitted proof of filing nomination papers to the |
| 10 | commission.  |
| 11 | (c) The commission shall be under no obligation to provide       |
| 12 | public moneys to a candidate under this subpart if moneys in the |
| 13 | Hawaii election campaign fund are near depletion as determined   |
| 14 | by the commission pursuant to section 11-R.                      |
| 15 | §11-I Contributions and expenditures; penalties. (a) A           |
| 16 | certified candidate and candidate committee shall comply with    |
| 17 | the following restrictions on contributions and expenditures:    |
| 18 | (1) Upon certification for public funding and until the          |
| 19 | general election, a certified candidate and candidate            |
|    |  |

committee shall not accept for use in the campaign:

**20** 

| 1  |           | (A)   | Contributions from any person, except as           |
|----|-----------|-------|--|
| 2  |           |       | permitted by sections 11-J and 11-L(c);            |
| 3  |           | (B)   | Loans from any person, including a certified       |
| 4  |           |       | candidate;   |
| 5  |           | (C)   | Contributions from political parties; and          |
| 6  |           | (D)   | Any campaign material purchased or held from a     |
| 7  |           |       | date prior to filing the declaration or intent to  |
| 8  |           |       | seek public funding; and                           |
| 9  | (2)       | Upon  | certification for public funding and until the     |
| 10 |           | end   | of the general election, a certified candidate and |
| 11 |           | cand  | idate committee shall not expend for campaign      |
| 12 |           | purp  | oses:  |
| 13 |           | (A)   | Any money except public funds issued by the        |
| 14 |           |       | commission and as permitted by sections 11-J and   |
| 15 |           |       | 11-L(c);   |
| 16 |           | (B)   | Public funds for purposes other than those         |
| 17 |           |       | permitted in this subpart; and                     |
| 18 |           | (C)   | Public funds outside the applicable campaign       |
| 19 |           | ٠     | period.  |
| 20 | (b)       | A ce  | rtified candidate and candidate committee who      |
| 21 | accepts c | ontri | butions in violation of this section shall be      |

- 1 subject to a fine equal to three times the public funding
- 2 received, in addition to any other action, fines, or prosecution
- 3 under section 11-P, subpart I, or any provision of the Hawaii
- 4 penal code.
- 5 (c) Except as permitted in sections 11-J and 11-L, a
- 6 certified candidate and candidate committee who makes
- 7 expenditures of more than 100 per cent of the public funds
- 8 allocated to the candidate shall pay to the Hawaii election
- 9 campaign fund an amount equal to three times the excess
- 10 expenditures, in addition to any other action, fines, or
- 11 prosecution under section 11-P, subpart I, or any provision of
- 12 the Hawaii penal code.
- 13 §11-J Supplemental contributions. Upon certification for
- 14 public funding and until the general election, a certified
- 15 candidate and candidate committee may accept supplemental
- 16 contributions; provided that the contributions shall not exceed
- 17 \$50 per person from individuals who reside in the State and are
- 18 not from any individual whose contributions are prohibited under
- 19 subpart E. For each contribution accepted pursuant to this
- 20 section, the certified candidate or candidate committee shall
- 21 issue a receipt to the contributor.

- 1 §11-K Publicly-funded candidate; reporting. (a) A
- 2 certified candidate and candidate committee shall furnish to the
- 3 commission complete campaign records, including all records of
- 4 seed money contributions, qualifying contributions, surplus
- 5 campaign fund contributions, supplemental contributions, and
- 6 expenditures. A certified candidate and candidate committee
- 7 shall fully cooperate with any audit or examination by the
- 8 commission.
- 9 (b) The reporting requirements for certified candidates
- 10 and candidate committees under this subpart or that may be
- 11 required by the commission shall be in addition to any other
- 12 reporting requirements under this part.
- 13 (c) An individual who uses seed money to determine whether
- 14 sufficient support exists to run for office as a publicly-funded
- 15 candidate and has not already registered a candidate committee
- 16 with the commission shall register a candidate committee by
- 17 filing the organizational report required by section 11-321,
- 18 within ten days of receiving more than \$100 in seed money.
- 19 (d) All reports required by subpart D, seed money reports,
- 20 and post-election reports shall be filed with the commission.

| 1  | (e)      | Seed money reports shall be filed with the commission  |
|----|----------|--|
| 2  | no later | than:  |
| 3  | (1)      | January 1 of an election year; and                     |
| 4  | (2)      | April 30 of an election year.                          |
| 5  | (f)      | Each report shall be current through:                  |
| 6  | (1)      | The six-month period ending on December 31 for the     |
| 7  |          | report filed on January 31; and                        |
| 8  | (2)      | The three-month period ending on March 31 for the      |
| 9  |          | report filed on April 30.                              |
| 10 | (g)      | The seed money shall include:                          |
| 11 | (1)      | The candidate committee's name and address;            |
| 12 | (2)      | The amount of cash on hand at the beginning of the     |
| 13 |          | reporting period;                                      |
| 14 | (3)      | The reporting period and aggregate total for each of   |
| 15 |          | the following categories:                              |
| 16 |          | (A) Contributions;                                     |
| 17 |          | (B) Expenditures; and                                  |
| 18 |          | (C) Other receipts; and                                |
| 19 | (4)      | The cash on hand at the end of the reporting period.   |
| 20 | (h)      | Schedules filed with the seed money reports shall also |
| 21 | include: |  |

| 1  | (1) | The amount and date of deposit of each contribution    |
|----|-----|--|
| 2  |     | and the name and address of each contributor who makes |
| 3  |     | contributions aggregating more than \$100 in an        |
| 4  |     | election period; provided that if all the information  |
| 5  |     | is not on file, the contribution shall be returned to  |
| 6  |     | the contributor within thirty days of deposit;         |
| 7  | (2) | All expenditures made, including the name and address  |
| 8  |     | of each payee, and the amount, date, and purpose of    |
| 9  |     | each expenditure. Expenditures for consultants,        |
| 10 |     | advertising agencies and similar firms, credit card    |
| 11 |     | payments, salaries, and candidate reimbursements shall |
| 12 |     | be itemized to permit a reasonable person to determine |
| 13 |     | the ultimate intended recipient of the expenditure and |
| 14 |     | its purpose; and                                       |
| 15 | (3) | The amount, date of deposit, and description of other  |

(i) Post-election reports shall be submitted to the
commission no later than twenty days after a primary election
and no later than thirty days after a general election
certifying that all public funds paid to the certified candidate

each of the other receipts.

receipts and the name and address of the source of

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- 1 and candidate committee have been used in accordance with this
  - 2 subpart. The reports shall include information regarding all
  - 3 expenditures made, including the name and address of each payee
  - 4 and the amount, date, and purpose of each expenditure.
  - 5 Expenditures for consultants, advertising agencies and similar
  - 6 firms, credit card payments, salaries, and candidate
  - 7 reimbursements shall be itemized to permit a reasonable person
  - 8 to determine the ultimate intended recipient of the expenditure
  - 9 and its purpose.
- 10 (i) All certified candidates and candidate committees
- 11 shall file the reports required under this subpart by electronic
- 12 means in the manner prescribed by the commission.
- 13 §11-L Publicly-funded candidate; continuing obligation.
- 14 (a) A certified candidate and candidate committee shall comply
- 15 with all requirements under this subpart through the general
- 16 election, except as provided in subsection (d), regardless of
- 17 whether the certified candidate maintains eligibility for public
- 18 funding through the general election.
- 19 (b) A certified candidate who is elected to the office
- 20 sought and candidate committee may carry over and expend any

- 1 surplus campaign funds up to \$4,000 to pay for in-office
- 2 constituent communications.
- 3 (c) If the total surplus for a certified candidate who is
- 4 elected to office falls under \$4,000, the certified candidate
- 5 and candidate committee shall be allowed to raise the difference
- 6 with private contributions pursuant to subpart E; provided that
- 7 the contributions are received from an individual.
- 8 (d) Except for seed money contributions, qualifying
- 9 contributions, supplemental contributions pursuant to section
- 10 11-J, and surplus campaign fund contributions pursuant to this
- 11 section, a certified candidate who is elected to the office
- 12 sought and candidate committee shall not accept private
- 13 contributions from any person until either July 1 of the next
- 14 odd-numbered year following the general election in which the
- 15 candidate was last elected, or the date when the commission
- 16 determines there are insufficient funds under section 11-R,
- 17 whichever occurs earlier.
- 18 (e) If a certified candidate withdraws from seeking the
- 19 nomination for or from the election, all unexpended public funds
- 20 received by the candidate and candidate committee under this

- 1 subpart shall be returned to the Hawaii election campaign fund
- 2 within thirty days after withdrawal.
- 3 (f) A certified candidate who is successful in the primary
- 4 election may carry over any unexpended public funds to the
- 5 general election; provided that it is a contested election. If
- 6 it is not a contested election, the certified candidate and
- 7 candidate committee shall return all unexpended public funds
- 8 received by the certified candidate under this subpart to the
- 9 Hawaii election campaign fund within thirty days after the
- 10 primary election.
- 11 (g) A certified candidate who is not successful in the
- 12 primary or general election shall return all unexpended public
- 13 funds received by the certified candidate and candidate
- 14 committee under this subpart to the Hawaii election campaign
- 15 fund within thirty days after the election in which the
- 16 candidate was not successful.
- 17 §11-M Public funding; permitted uses. (a) Public funds
- 18 shall be used only for the purpose of defraying expenses
- 19 directly related to the certified candidate's campaign during
- 20 the election campaign period for which the public funds are
- 21 allocated.

- 1 (b) A candidate receiving funds under this subpart or the
- 2 candidate's campaign treasurer shall not transfer any portion of
- 3 the funds provided under this subpart to any other candidate for
- 4 another campaign.
- 5 §11-N Deposit of and access to public funds. (a) All
- 6 public funds, seed money contributions, supplemental
- 7 contributions pursuant to section 11-J, and surplus campaign
- 8 fund contributions pursuant to section 11-L received by a
- 9 certified candidate and candidate committee shall be deposited
- 10 directly into a depository institution as provided under section
- 11 11-351(a) and accessed through the use of debit cards and bank
- 12 checks. No expenditure of public funds received under this
- 13 subpart shall be made except by debit cards or checks drawn on
- 14 such checking account.
- 15 (b) All reports required under subpart D and this subpart
- 16 for financial disclosure shall include the most recent available
- 17 bank statement from the financial depository holding the public
- 18 funds as attested to by the candidate or candidate committee.
- 19 §11-O Deposit of money into the Hawaii election campaign
- 20 fund. The following moneys shall be deposited into the Hawaii
- 21 election campaign fund established under section 11-421:

| 1  | (1)       | Appropriations made by the registature for the        |
|----|-----------|---|
| 2  |           | purposes of this subpart;                             |
| 3  | (2)       | Seed money contributions in excess of \$3,000;        |
| 4  | (3)       | Qualifying contributions, including any excess        |
| 5  |           | qualifying contributions;                             |
| 6  | (4)       | Unspent public funds returned to any certified        |
| 7  |           | candidate under this subpart minus any surplus        |
| 8  |           | campaign funds up to \$4,000 pursuant to section 11-L |
| 9  |           | for certified candidates who are elected to office;   |
| 10 | (5)       | Fines levied by the commission for violation of this  |
| 11 |           | subpart; and  |
| 12 | (6)       | Voluntary donations made for the purposes of this     |
| 13 |           | subpart.  |
| 14 | §11-      | P Violations; penalties. Any candidate or candidate   |
| 15 | committee | who misrepresents material facts to the commission in |
| 16 | order to  | qualify for or receive public funding shall:          |
| 17 | (1)       | Have the candidate's certification for public funding |
| 18 |           | revoked. Upon revocation of certification, the        |
| 19 |           | certified candidate and candidate committee shall     |
| 20 |           | repay all public funds received within ten business   |
| 21 |           | days to the Hawaii election campaign fund; and        |

| 1  | (2) Be subject to fines and penalties as specifically            |
|----|--|
| 2  | provided in this subpart and other fines or penalties            |
| 3  | pursuant to sections 11-410 and 11-412 and the Hawaii            |
| 4  | penal code.  |
| 5  | §11-Q Forms; receipts; candidate guide. The commission           |
| 6  | shall create and publish all forms and receipts required as well |
| 7  | as a candidates' guide to the public funding program that shall  |
| 8  | include an explanation of rules and procedures applicable to     |
| 9  | candidates.  |
| 10 | §11-R Sufficiency of funding for comprehensive public            |
| 11 | funding. On July 1 of each odd-numbered year before a general    |
| 12 | election year, the commission shall determine whether there is a |
| 13 | minimum of \$3,500,000 in the Hawaii election campaign fund      |
| 14 | established under section 11-421 to certify candidates during    |
| 15 | the next election and provide funding for the comprehensive      |
| 16 | public funding for elections authorized under this subpart.      |
| 17 | Within five business days after the commission determines        |
| 18 | whether there is sufficient funding, the commission shall        |
| 19 | publish notice statewide pursuant to section 1-28.5 whether the  |
| 20 | comprehensive public funding program shall become effective on   |

- 1 January 1 of the following year. If there is insufficient
- 2 funding, this subpart shall be inoperative."
- 3 SECTION 3. Section 11-421, Hawaii Revised Statutes, is
- 4 amended by amending subsections (b) and (c) to read as follows:
- 5 "(b) The fund shall consist of:
- 6 (1) All moneys collected from persons who have designated
- 7 a portion of their income tax liability to the fund as
- **8** provided in section 235-102.5(a);
- 9 (2) Any general fund appropriations; [and]
- 10 (3) All moneys designated for deposit into the fund
- pursuant to section 11-0; and
- 12  $\left[\frac{(3)}{(3)}\right]$  (4) Other moneys collected pursuant to this part.
- (c) Moneys in the fund shall be paid to candidates by the
- 14 comptroller as prescribed in [section] sections 11-431 and 11-
- 15 H(b) and may be used for the commission's operating expenses,
- 16 including staff salaries and fringe benefits."
- 17 SECTION 4. Section 11-423, Hawaii Revised Statutes, is
- 18 amended by amending subsection (d) to read as follows:
- 19 "(d) From January 1 of the year of any primary, special,
- 20 or general election, the aggregate expenditures for each
- 21 election by a candidate who voluntarily agrees to limit campaign

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expenditures, inclusive of all expenditures made or authorized
1
2
    by the candidate alone, all treasurers, the candidate committee,
3
    and noncandidate committees on the candidate's behalf, shall not
4
    exceed the following amounts expressed, respectively multiplied
5
    by the number of voters in the last preceding general election
6
    registered to vote in each respective voting district:
7
         [(1) For the office of governor $2.50;
8
         (2) For the office of lieutenant governor - $1.40;
9
         (3)] (1) For the office of mayor - $2.00;
10
        [\frac{4}{1}] (2) For the offices of [state senator, state
11
              representative, county council member[7] and
              prosecuting attorney - $1.40; and
12
13
        [\frac{(5)}{(5)}] (3) For all other offices - 20 cents."
14
         SECTION 5. Section 11-425, Hawaii Revised Statutes, is
15
    amended by amending subsections (a) and (b) to read as follows:
16
               The maximum amount of public funds available in each
    election to a candidate for the office of [governor, lieutenant
17
18
    governor, or] mayor shall not exceed ten per cent of the
19
    expenditure limit established in section 11-423(d) for each
20
    election.
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| 1  | (b) The maximum amount of public funds available in each        |
|----|---|
| 2  | election to a candidate for the office of [state senator, state |
| 3  | representative, county council member[, and] or prosecuting     |
| 4  | attorney shall not exceed fifteen per cent of the expenditure   |
| 5  | limit established in section 11-423(d) for each election."      |
| 6  | SECTION 6. Section 11-429, Hawaii Revised Statutes, is          |
| 7  | amended by amending subsection (a) to read as follows:          |
| 8  | "(a) As a condition of receiving public funds for a             |
| 9  | primary or general election, a candidate shall not be unopposed |
| 10 | in any election for which public funds are sought, shall have   |
| 11 | filed an affidavit with the commission pursuant to section 11-  |
| 12 | 423 to voluntarily limit the candidate's campaign expenditures, |
| 13 | and shall be in receipt of the following sum of qualifying      |
| 14 | contributions from individual residents of Hawaii:              |
| 15 | [(1) For the office of governor - qualifying contributions      |
| 16 | that in the aggregate exceed \$100,000;                         |
| 17 | (2) For the office of licutenant governor — qualifying          |
| 18 | contributions that in the aggregate exceed \$50,000;            |
| 19 | $\frac{(3)}{(1)}$ For the office of mayor for each respective   |
| 20 | county:   |

| 1          |                      | (A)  | [County] City and county of Honolulu — qualifying                                      |
|------------|----------------------|------|--|
| 2          |                      |      | contributions that in the aggregate exceed   |
| 3          |                      |      | \$50,000;  |
| 4          |                      | (B)  | County of Hawaii - qualifying contributions that                                       |
| 5          |                      |      | in the aggregate exceed \$15,000;  |
| 6          |                      | (C)  | County of Maui - qualifying contributions that in                                      |
| 7          |                      |      | the aggregate exceed \$10,000; and   |
| 8          |                      | (D)  | County of Kauai - qualifying contributions that  |
| 9          |                      |      | in the aggregate exceed \$5,000;   |
| 10         | [ <del>(4)</del> ]   | (2)  | For the office of prosecuting attorney for each  |
| 11         |                      | resp | ective county:   |
| 12         |                      | (A)  | [County] City and county of Honolulu - qualifying                                      |
| 13         |                      |      | contributions that in the aggregate exceed   |
| 14         |                      |      | \$30,000;  |
| 15         |                      | (B)  | County of Hawaii - qualifying contributions that                                       |
| 1.0        |                      |      |  |
| 16         |                      |      | in the aggregate exceed \$10,000; and  |
| 1 <b>7</b> |                      | (C)  | in the aggregate exceed \$10,000; and  County of Kauai — qualifying contributions that |
|            |                      | (C)  |  |
| 17         | [ <del>-(5)-</del> ] |      | County of Kauai — qualifying contributions that  |

| 1  |                    | (A)   | [County] City and county of Honolulu — qualifying |
|----|--------------------|-------|---|
| 2  |                    |       | contributions that in the aggregate exceed        |
| 3  |                    |       | \$5,000;  |
| 4  |                    | (B)   | County of Hawaii - qualifying contributions that  |
| 5  |                    |       | in the aggregate exceed \$1,500;                  |
| 6  |                    | (C)   | County of Maui - qualifying contributions that in |
| 7  |                    |       | the aggregate exceed \$5,000; and                 |
| 8  |                    | (D)   | County of Kauai - qualifying contributions that   |
| 9  |                    |       | in the aggregate exceed \$3,000;                  |
| 10 | [ <del>-(6)</del>  | For   | the office of state senator qualifying            |
| 11 |                    | cont  | ributions that, in the aggregate exceed \$2,500;  |
| 12 | <del>(7)</del>     | For   | the office of state representative — qualifying   |
| 13 |                    | cont  | ributions that, in the aggregate, exceed \$1,500; |
| 14 | <del>(8)</del> ]   | (4)   | For the office of Hawaiian affairs — qualifying   |
| 15 |                    | cont  | ributions that, in the aggregate, exceed \$1,500; |
| 16 |                    | and   | ,   |
| 17 | [ <del>(9)</del> ] | (5)   | For all other offices, qualifying contributions   |
| 18 |                    | that  | , in the aggregate, exceed \$500."                |
| 19 | SECT               | ION 7 | . Section 11-431, Hawaii Revised Statutes, is     |
| 20 | amended by         | r ame | nding subsection (a) to read as follows:          |

- 1 "(a) Upon the commission's approval of the application and
- 2 statement of qualifying contributions, the commission shall
- 3 direct the comptroller to distribute matching public funds up to
- 4 the maximum amount of public funds allowed by section 11-425[-]
- 5 by check or by an automatic transfer of funds, when possible.
- 6 Public funds shall be distributed to the candidate within twenty
- 7 days from the date that the candidate's initial application and
- 8 qualifying contribution statement is approved by the
- 9 commission."
- 10 SECTION 8. The campaign spending commission shall submit a
- 11 report of its findings and recommendations, including any
- 12 proposed legislation, to the legislature not later than twenty
- 13 days prior to the convening of the regular session of 2016 on
- 14 further statutory amendments to facilitate the implementation of
- 15 this Act.
- 16 SECTION 9. Moneys in the Hawaii election campaign fund
- 17 under section 11-421, Hawaii Revised Statutes, may be expended
- 18 by the campaign spending commission in preparation for the
- 19 implementation of the public funding of candidates in elections
- 20 taking place in 2016, consistent with the purposes of this Act.

| 1  | SECTION 10. There is appropriated out of the general             |
|----|--|
| 2  | revenues of the State of Hawaii the sum of \$ or so              |
| 3  | much thereof as may be necessary for fiscal year 2015-2016 and   |
| 4  | the same sum or so much thereof as may be necessary for fiscal   |
| 5  | year 2016-2017 to be deposited into the Hawaii election campaign |
| 6  | fund established under section 11-421, Hawaii Revised Statutes,  |
| 7  | for the purposes of implementing a public funding program for    |
| 8  | elections to the state house of representatives beginning with   |
| 9  | the 2016 election.   |
| 10 | SECTION 11. In codifying the new sections added by section       |
| 11 | 2 of this Act, the revisor of statutes shall substitute          |
| 12 | appropriate section numbers for the letters used in designating  |
| 13 | the new sections in this Act.                                    |
| 14 | SECTION 12. Statutory material to be repealed is bracketed       |
| 15 | and stricken. New statutory material is underscored.             |
| 16 | SECTION 13. This Act shall take effect on July 1, 2015.          |
| 17 | $\sim$   |

INTRODUCED BY: Resell E Paler

GhA

#### Report Title:

Campaign Spending Commission; Public Funding for Election Candidates; State House of Representatives; Public Partial Financing; Appropriation

#### Description:

Creates a public funding program for elections to the state house of representatives. Excludes from the partial public financing program candidates for the offices of governor, lieutenant governor, state senator, and state representative pertaining to campaign expenditure limits, maximum amounts of public funding, and minimum amounts of qualifying contributions. Appropriates funds for the implementation of the public funding program.

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