## A BILL FOR AN ACT

RELATING TO CAMPAIGN CONTRIBUTIONS.

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

- 1 SECTION 1. The legislature finds that when leaving office
- 2 candidates have frequently used excess campaign funds to sponsor
- 3 scholarships for students, make donations to charitable
- 4 organizations, and support local schools and libraries.
- 5 However, current law limits the amount of time a candidate
- 6 leaving office may contribute toward scholarships or other
- 7 charitable causes. This limitation can unintentionally cut off
- 8 financial support for some students at four-year programs, among
- 9 other consequences.
- 10 The legislature further finds that current law also allows
- 11 candidates to use campaign funds to purchase vehicles for
- 12 personal use, which may be excessive for Hawaii elections.
- The purpose of this Act is to temporarily extend the
- 14 ability of candidates leaving office to contribute to good
- 15 causes, and permanently limit campaign expenditures for vehicles
- 16 to those vehicles which can be leased for the duration of a
- 17 campaign, but not purchased for personal use. Finally, this Act

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- 1 provides that excess contributions by nonresident contributors
- 2 shall escheat to the Hawaii election campaign fund if not
- 3 returned to the contributor within thirty days.
- 4 SECTION 2. Section 11-364, Hawaii Revised Statutes, is
- 5 amended by amending subsection (a) to read as follows:
- 6 "(a) Any candidate, candidate committee, or noncandidate
- 7 committee that receives in the aggregate more than the
- 8 applicable contribution limit in section 11-357, 11-358, 11-359,
- 9 [er] 11-360, or 11-362 shall return any excess contribution to
- 10 the contributor within thirty days of receipt of the excess
- 11 contribution. Any excess contribution not returned to the
- 12 contributor within thirty days shall escheat to the Hawaii
- 13 election campaign fund."
- 14 SECTION 3. Section 11-381, Hawaii Revised Statutes, is
- 15 amended by amending subsection (a) to read as follows:
- "(a) Campaign funds may be used by a candidate, treasurer,
- 17 or candidate committee:
- 18 (1) For any purpose directly related:
- (A) In the case of the candidate, to the candidate's
- 20 own campaign; or

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| 2  |     | of a candidate committee, to the campaign of the       |
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| 3  |     | candidate, question, or issue with which they are      |
| 4  |     | directly associated;                                   |
| 5  | (2) | To [purchase] lease vehicles for the duration of a     |
| 6  |     | campaign or purchase or lease consumer goods,          |
| 7  |     | [vehicles,] equipment, and services that provide a     |
| 8  |     | mixed benefit to the candidate. The candidate,         |
| 9  |     | however, shall reimburse the candidate's candidate     |
| 10 |     | committee for the candidate's personal use of these    |
| 11 |     | items unless the personal use is de minimis;           |
| 12 | (3) | To make donations to any community service,            |
| 13 |     | educational, youth, recreational, charitable,          |
| 14 |     | scientific, or literary organization; provided that in |
| 15 |     | any election period, the total amount of all donations |
| 16 |     | shall be no more than [twice] four times the maximum   |
| 17 |     | amount that one person may contribute to that          |
| 18 |     | candidate pursuant to section 11-357; provided further |
| 19 |     | that no donations shall be made from the date the      |

candidate files nomination papers to the date of the

general election unless the candidate is:

(B) In the case of a candidate committee or treasurer

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| 1  |     | (A)  | Declared to be duly and legally elected to the     |
|----|-----|------|--|
| 2  |     |      | office for which the person is a candidate         |
| 3  |     |      | pursuant to section 12-41;                         |
| 4  |     | (B)  | Deemed and declared to be duly and legally         |
| 5  |     |      | elected to the office for which the person is a    |
| 6  |     |      | candidate pursuant to section 12-42; or            |
| 7  |     | (C)  | Unsuccessful in the primary or special primary     |
| 8  |     |      | election;  |
| 9  | (4) | To m | ake donations to any public school or public       |
| 10 |     | libr | ary; provided that in any election period, the     |
| 11 |     | tota | l amount of all contributions shall be no more     |
| 12 |     | than | [twice] four times the maximum amount that one     |
| 13 |     | pers | on may contribute to that candidate pursuant to    |
| 14 |     | sect | ion 11-357; provided further that any donation     |
| 15 |     | unde | r this paragraph shall not be aggregated with or   |
| 16 |     | impu | ted toward any limitation on donations pursuant to |
| 17 |     | para | graph (3);   |
| 18 | (5) | To a | ward scholarships to full-time students attending  |
| 19 |     | an i | nstitution of higher education or a vocational     |
| 20 |     | educ | ation school in a program leading to a degree,     |

certificate, or other recognized educational

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in section 11-342;

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| 1  | (7) To make contributions to the candidate's party so long       |
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| 2  | as the contributions are not earmarked for another               |
| 3  | candidate; or  |
| 4  | (8) To pay for ordinary and necessary expenses incurred in       |
| 5  | connection with the candidate's duties as a holder of            |
| 6  | an office, including expenses incurred for memberships           |
| 7  | in civic or community groups."                                   |
| 8  | SECTION 4. Section 11-384, Hawaii Revised Statutes, is           |
| 9  | amended by amending subsection (c) to read as follows:           |
| 10 | "(c) A candidate who is elected to office, including a           |
| 11 | candidate subject to term limits and a candidate who resigned    |
| 12 | before the end of the term of office and the candidate committee |
| 13 | of such a candidate, may use campaign funds as provided in       |
| 14 | section 11-381 or return funds to contributors until [four] two  |
| 15 | years [from] following the [date of the election] end of the     |
| 16 | candidate's term for which the campaign funds were received.     |
| 17 | Funds that are not used or returned to contributors shall        |
| 18 | escheat to the Hawaii election campaign fund."                   |
| 19 | SECTION 5. Statutory material to be repealed is bracketed        |
| 20 | and stricken. New statutory material is underscored.             |

- 1 SECTION 6. This Act shall take effect on July 1, 2050;
- 2 provided that on November 5, 2024, section 4 of this Act shall
- 3 be repealed and section 11-384(c), Hawaii Revised Statutes,
- 4 shall be reenacted in the form in which it read on the day
- 5 before the effective date of this Act.

#### Report Title:

Campaign Spending Commission Package; Contribution Limits; Nonresidents; Return of Contribution; Campaign Funds

#### Description:

Provides that excess contributions by nonresident contributors shall escheat to the Hawaii election campaign fund if not returned to the contributor within 30 days. Amends the allowable uses of campaign funds. Amends the time for a candidate who is elected to office to use campaign funds or return the funds. Sunsets 11/5/2024. Effective 7/1/2050. (HD1)

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