

JAN 25 2023

A BILL FOR AN ACT

RELATING TO PUBLIC FINANCING FOR CANDIDATES TO ELECTED OFFICE.

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

1 SECTION 1. The legislature finds that providing a
2 mechanism to fully fund the elections of candidates for state
3 and county offices who voluntarily agree to abide by campaign
4 fundraising and expenditure guidelines will have significant
5 public benefit. The common belief is that the current campaign
6 finance system used in Hawai'i (and most other states) unfairly
7 favors a small handful of wealthy donors who use their donations
8 to buy access to candidates and elected officials.
9 Comprehensive, publicly-funded campaign programs are intended to
10 improve the process by allowing candidates to compete without
11 reliance on private funds and correspondingly by allowing
12 elected officials to make decisions without the influence, or
13 appearance of influence, of private individuals, lobbyists,
14 political parties, political action committees, unions,
15 corporations, and other entities. Candidates who choose to
16 participate in Hawai'i's comprehensive public funding program
17 established by this Act would, after obtaining the required



1 number of \$5 donations from voters, be barred from soliciting,
2 accepting, or using contributions from any source other than the
3 program's public funds. This restriction on funding would apply
4 during their campaign and, if elected, throughout their term in
5 office. By demonstrating support from voters in the relevant
6 district, the participating candidate justifies receipt of
7 public funding sufficient to run in a primary and, if
8 successful, general election campaign.

9 The legislature further finds that public financing of
10 campaigns in some form has existed since the 1970s and was
11 enacted as a response to Watergate. Hawai'i became a leader in
12 public funding programs when it added language to the Hawaii
13 State Constitution in 1978 that established the partial public
14 funding program that is still utilized by candidates.
15 Comprehensive public financing programs, sometimes termed "clean
16 elections", were established in 1996 in Maine and in 1998 in
17 Arizona and have since been adopted in Connecticut and New
18 Mexico.

19 The legislature further finds that the statewide
20 comprehensive public funding program established by this Act is
21 modeled after the Hawaii county council comprehensive public



1 funding pilot project that disbursed \$363,060 in public funds to
2 a total of sixteen candidates in the 2010 and 2012 county
3 council elections for Hawaii county. The statewide program is
4 also guided by Maine's Clean Election Act, which since 2000 has
5 supported legislative and gubernatorial candidates in a state
6 with a population similar to Hawai'i. Under Maine's program, a
7 state senate candidate would need to obtain at least one hundred
8 seventy-five qualifying contributions in order to be eligible to
9 receive up to \$70,000 in public funds, and a gubernatorial
10 candidate would need at least three thousand two hundred
11 qualifying contributions for up to \$3,000,000 in public funds.
12 Comparable levels of public funding will be necessary to ensure
13 that Hawai'i's program is practicable for participating
14 candidates. The legislature notes that the annual cost of
15 operating a program to publicly fund candidates dwarfs in
16 comparison to the state budget of several billion dollars. The
17 cost is equally eclipsed by the projected increase in public
18 confidence in the State's candidates and elected officials.

19 Therefore, the purpose of this Act is to:

- 20 (1) Establish a comprehensive system of public financing
21 for all candidates seeking election to state and



1 county public offices in the State of Hawaii, to begin
2 with the 2024 general election year;

3 (2) Appropriate funds to the Hawai'i election campaign
4 fund; and

5 (3) Appropriate funds from the Hawai'i election campaign
6 fund to the campaign spending commission.

7 SECTION 2. Chapter 11, Hawaii Revised Statutes, is amended
8 by adding a new subpart to part XIII to be appropriately
9 designated and to read as follows:

10 " Comprehensive Public Funding for Candidates to State and
11 County Offices

12 §11-A Definitions. Except for terms that are specifically
13 defined in this subpart, terms that are defined under section
14 11-302 shall apply to this subpart. When used in this subpart,
15 unless the context clearly requires otherwise:

16 "Candidate" means an individual who seeks nomination for
17 election or seeks election to a state or county office in the
18 State of Hawaii or who seeks nomination or election to office
19 pursuant to chapter 13D.

20 "Certification for comprehensive public funding" means the
21 decision by the commission that a candidate is certified to



1 receive comprehensive public funding in accordance with this
2 subpart.

3 "Certified candidate", "publicly-funded candidate", or
4 "comprehensive publicly-funded candidate" means a candidate who
5 is certified by the commission as eligible for comprehensive
6 public funding under this subpart and who agrees to abide by the
7 requirements of this subpart.

8 "Declaration of intent to seek comprehensive public
9 funding" means the form completed by a candidate seeking public
10 funding.

11 "Excess expenditure" means the amount of public funds spent
12 or obligated to be spent by a comprehensive publicly-funded
13 candidate in excess of one hundred per cent of the allocated
14 funds for a primary election, general election, or both.

15 "General election" means a general, subsequent special, or
16 subsequent nonpartisan election.

17 "General election campaign period" means the period
18 beginning the day after the primary election and ending on
19 general election day.



1 "General election year" means the period commencing
2 January 1 of an even-numbered year in which a general election
3 is held and ending on the general election day.

4 "Primary election" means a primary, initial special, or
5 initial nonpartisan election.

6 "Primary election campaign period" means the period in a
7 primary election year beginning with the certification for
8 public funding under this subpart and ending on the primary
9 election day.

10 "Public funding", "public funds", "comprehensive public
11 funding", or "comprehensive public funds" means campaign funds
12 from the Hawaii election campaign fund under section 11-421,
13 received by a certified candidate pursuant to this subpart.

14 "Qualifying contribution" means a monetary contribution of
15 exactly \$5 for purposes of meeting the criteria of section 11-E
16 and that is in the form of cash, a check or a money order
17 payable to the Hawaii election campaign fund and signed by the
18 contributor in support of a candidate, or an electronic form of
19 payment made in support of a candidate according to procedures
20 established by the commission.



1 "Seed money" means contributions made to a candidate by an
2 individual in accordance with section 11-D and expended for the
3 purpose of determining campaign viability.

4 "Surplus campaign funds" means any campaign contributions
5 not spent during a prior election period by a candidate who
6 previously sought election as a privately-funded candidate.

7 **§11-B Establishment.** There is established a comprehensive
8 public funding program for candidates to state and county public
9 offices in the State of Hawaii, beginning with the 2024 general
10 election year.

11 **§11-C Qualifications for comprehensive public funding.**

12 (a) A candidate is eligible to seek comprehensive public
13 funding for the primary election campaign period if the
14 candidate:

15 (1) Resides in the respective district from which election
16 is sought as of the date of the filing of nomination
17 papers for the primary election in the general
18 election year in which the candidate seeks to be
19 nominated or elected;

20 (2) Is a registered voter in the district from which
21 election is sought;



- 1 (3) Files a declaration of intent to seek comprehensive
2 public funding with the commission between December 1
3 of the year prior to the general election year and
4 thirty days before the closing date to file nomination
5 papers to run for the office for which the candidate
6 intends to seek election;
- 7 (4) Collects qualifying contributions and names in
8 accordance with section 11-E;
- 9 (5) Accepts, for the office for which the candidate
10 intends to seek election, only the following
11 contributions prior to applying for certification as a
12 comprehensive publicly-funded candidate:
- 13 (A) Seed money contributions, until the candidate
14 files a declaration of intent to seek
15 comprehensive public funding; and
- 16 (B) Qualifying contributions that shall be accepted
17 only after filing the declaration of intent to
18 seek comprehensive public funding;
- 19 (6) Files an application for certification for
20 comprehensive public funding with the commission; and



1 (7) Agrees to comply with contribution and expenditure
2 restrictions in accordance with section 11-H and with
3 other program requirements, if certified pursuant to
4 this subpart.

5 (b) A candidate is qualified to seek comprehensive public
6 funding for the general election campaign period if the
7 candidate:

8 (1) Was certified as a comprehensive publicly-funded
9 candidate during the primary election campaign period
10 immediately preceding the general election in which
11 the funds under this subpart are provided;

12 (2) Continues to meet the requirements of subsection (a)
13 and this subpart; and

14 (3) Received a sufficient number of votes to appear on the
15 ballot in the general election or is otherwise
16 certified by the county clerk to be placed on the
17 ballot in the general election.

18 **§11-D Seed money contributions; limitations on use of seed**
19 **money; penalties.** (a) The use of seed money shall be limited
20 to expenditures necessary to determine whether sufficient



1 support exists for a candidate to run for office as a
2 comprehensive publicly-funded candidate.

3 (b) The amount of seed money received, expended, or both,
4 by a candidate seeking eligibility for comprehensive public
5 funding shall not exceed \$5,000, which shall include any
6 personal funds, surplus campaign funds, or contributions
7 received from individuals in an aggregate amount no greater than
8 \$250 each that the candidate may choose to use. A candidate
9 seeking eligibility for comprehensive public funding shall not
10 accept contributions of seed money from any individual whose
11 contributions are prohibited under subpart E. All contributors
12 whose seed money has been accepted shall be issued a receipt by
13 the candidate.

14 (c) An individual who uses seed money to determine whether
15 sufficient support exists to run for office as a comprehensive
16 publicly-funded candidate who is not already registered with the
17 commission shall, within ten days of receiving more than \$100 in
18 seed money either from contributions or personal funds, register
19 as a candidate by filing the organizational report required by
20 section 11-321.



1 (d) Seed money shall not be collected after the candidate
2 has filed the declaration of intent to seek comprehensive public
3 funding. The candidate shall spend seed money only until the
4 candidate is certified by the commission as a comprehensive
5 publicly-funded candidate or the closing date to file nomination
6 papers to run for the office for which the candidate intends to
7 seek election, whichever occurs first.

8 (e) Any unspent seed money shall be deducted from the
9 amount of comprehensive public funding provided to the certified
10 candidate; provided that the certified candidate does not donate
11 the unspent seed money to the Hawaii election campaign fund.

12 (f) A certified candidate who has surplus campaign funds
13 from a previous election is prohibited from using those funds
14 for any purpose except as seed money pursuant to this section.
15 The surplus campaign funds shall be frozen and maintained in a
16 separate depository account from that established for the public
17 funds under section 11-J. The candidate shall continue to file
18 reports on the surplus campaign funds in accordance with subpart
19 E, or as may otherwise be required by the commission.

20 **§11-E Application for comprehensive public funds;**
21 **qualifying contributions.** (a) Candidates seeking comprehensive



1 public funding shall submit an application for certification
2 that contains at least the minimum number of qualifying
3 contributions, as specified in subsection (b). Each qualifying
4 contribution shall be accompanied by a form provided by the
5 commission that includes:

- 6 (1) The contributor's printed name, address, signature,
7 date of birth, and the contributor's acknowledgement
8 that the contribution was made with the contributor's
9 personal funds and in support of the candidate and was
10 not given in exchange for anything of value; and
- 11 (2) The candidate's acknowledgement that the contribution
12 was obtained with the candidate's knowledge and
13 approval and that nothing of value was given in
14 exchange for the contribution. Only registered voters
15 who reside within the respective district from which
16 the candidate seeks nomination or election at the time
17 the contribution is given shall be considered for
18 certification purposes. Nothing of value shall be
19 given to the individual in exchange for the qualifying
20 contribution.



1 (b) The minimum number of qualifying contributions shall
2 be as follows:

3 (1) For the office of governor – 6,250 qualifying
4 contributions;

5 (2) For the office of lieutenant governor – three thousand
6 qualifying contributions;

7 (3) For the office of state senator – two hundred
8 qualifying contributions;

9 (4) For the office of state representative – one hundred
10 qualifying contributions;

11 (5) For the office of Hawaiian affairs – fifty qualifying
12 contributions;

13 (6) For the office of mayor of a county with a population
14 of five hundred thousand or more – 5,750 qualifying
15 contributions;

16 (7) For the office of mayor of a county with a population
17 of 195,000 or more and less than five hundred thousand
18 – nine hundred qualifying contributions;

19 (8) For the office of mayor of a county with a population
20 of one hundred fifty thousand or more and less than



- 1 195,000 – one thousand five hundred qualifying
2 contributions;
- 3 (9) For the office of mayor of a county with a population
4 of less than one hundred fifty thousand – eight
5 hundred seventy-five qualifying contributions;
- 6 (10) For the office of prosecuting attorney of a county
7 with a population of five hundred thousand or more –
8 five hundred sixty-three qualifying contributions;
- 9 (11) For the office of prosecuting attorney of a county
10 with a population of 195,000 or more and less than
11 five hundred thousand – one hundred qualifying
12 contributions;
- 13 (12) For the office of prosecuting attorney of a county
14 with a population of less than one hundred fifty
15 thousand – sixty-three qualifying contributions;
- 16 (13) For the office of county council of a county with a
17 population of five hundred thousand or more – three
18 hundred thirty-eight qualifying contributions;
- 19 (14) For the office of county council of a county with a
20 population of 195,000 or more and less than five
21 hundred thousand – fifty qualifying contributions



1 (15) For the office of county council of a county with a
2 population of one hundred fifty thousand or more and
3 less than 195,000 – seventy-five qualifying
4 contributions; and

5 (16) For the office of county council of a county with a
6 population of less than one hundred fifty thousand –
7 seventy-five qualifying contributions.

8 (c) No qualifying contribution shall be collected prior to
9 a candidate filing a declaration of intent to seek comprehensive
10 public funding with the commission. A contribution received
11 before the filing of a declaration of intent to seek public
12 funds shall not be considered a qualifying contribution.

13 (d) Any receipt for a qualifying contribution shall be
14 made in a form prescribed by the commission pursuant to section
15 11-M.

16 (e) All qualifying contributions collected by a candidate,
17 whether or not the candidate is certified, shall be deposited
18 into the Hawaii election campaign fund.

19 (f) The application for certification shall be submitted
20 to the commission no later than thirty days prior to the primary
21 election and shall be signed by the candidate and the



1 candidate's campaign treasurer under penalty of perjury. The
2 application shall contain any other information deemed necessary
3 by the commission.

4 (g) Use of voter registration information to obtain
5 qualifying contributions and seek comprehensive public funds
6 shall constitute election purposes pursuant to section 11-97 and
7 applicable rules.

8 **§11-F Certification of qualification for comprehensive**
9 **public funds.** (a) The commission, in coordination with the
10 clerk for the county that includes the district in which
11 election is sought, shall verify that at least the minimum
12 required qualifying contributions and names were received from
13 registered voters in the district in which the candidate seeks
14 office, that the candidate resides in the district in which
15 election is sought as of the date of the filing of nomination
16 papers, and that the candidate is a registered voter in the
17 district in which election is sought. The clerk for the county
18 that includes the district in which election is sought shall
19 provide to the commission the information needed to make the
20 verification, including the names, addresses, dates of birth,
21 and signatures of registered voters in that district.



1 (b) The commission shall issue a decision to certify or
2 deny certification of a candidate as a comprehensive publicly-
3 funded candidate within ten business days following receipt of
4 the candidate's completed application for certification for the
5 receipt of comprehensive public funds.

6 (c) After a candidate is certified, the candidate's
7 certification shall apply to both the primary and the general
8 elections.

9 (d) The certification and all determinations by the
10 commission under this section shall be final and conclusive,
11 except to the extent that they are subject to examination and
12 audit by the commission under section 11-434.

13 **§11-G Comprehensive public funds to be distributed to**
14 **certified candidates.** (a) Each certified candidate who has an
15 opponent in the primary election and an opponent in the general
16 election shall receive the following amounts of public funding,
17 as adjusted pursuant to subsection (d), and distributed at a
18 rate of sixty-seven per cent for the primary election and
19 thirty-three per cent for the general election:



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- 1 (1) For the office of governor – \$1,675,000 in the
2 primary, \$825,000 in the general, for a maximum of
3 \$2,500,000;
- 4 (2) For the office of lieutenant governor – \$804,000 in
5 the primary, \$396,000 in the general, for a maximum of
6 \$1,200,000;
- 7 (3) For the office of state senator – \$67,000 in the
8 primary, \$33,000 in the general, for a maximum of
9 \$100,000;
- 10 (4) For the office of state representative – \$33,500 in
11 the primary, \$16,500 in the general, for a maximum of
12 \$50,000;
- 13 (5) For the office of Hawaiian affairs – \$13,400 in the
14 primary, \$6,600 in the general, for a maximum of
15 \$20,000;
- 16 (6) For the office of mayor of a county with a population
17 of five hundred thousand or more – \$1,541,000 in the
18 primary, \$759,000 in the general, for a maximum of
19 \$2,300,000;
- 20 (7) For the office of mayor of a county with a population
21 of 195,000 or more and less than five hundred thousand



1 – \$241,200 in the primary, \$118,800 in the general,
2 for a maximum of \$360,000;

3 (8) For the office of mayor of a county with a population
4 of one hundred fifty thousand or more and less than
5 195,000 – \$402,000 in the primary, \$198,000 in the
6 general, for a maximum of \$600,000;

7 (9) For the office of mayor of a county with a population
8 of less than one hundred fifty thousand – \$234,500 in
9 the primary, \$115,500 in the general, for a maximum of
10 \$350,000;

11 (10) For the office of prosecuting attorney of a county
12 with a population of five hundred thousand or more –
13 \$150,750 in the primary, \$74,250 in the general, for a
14 maximum of \$225,000;

15 (11) For the office of prosecuting attorney of a county
16 with a population of 195,000 or more and less than
17 five hundred thousand – \$26,800 in the primary,
18 \$13,200 in the general, for a maximum of \$40,000;

19 (12) For the office of prosecuting attorney of a county
20 with a population of less than one hundred fifty



1 thousand – \$16,750 in the primary, \$8,250 in the
2 general, for a maximum of \$25,000;

3 (13) For the office of county council of a county with a
4 population of five hundred thousand or more – \$90,450
5 in the primary, \$44,550 in the general, for a maximum
6 of \$135,000;

7 (14) For the office of county council of a county with a
8 population of 195,000 or more and less than five
9 hundred thousand – \$13,400 in the primary, \$6,600 in
10 the general, for a maximum of \$20,000;

11 (15) For the office of county council of a county with a
12 population of one hundred fifty thousand or more and
13 less than 195,000 – \$20,100 in the primary, \$9,900 in
14 the general, for a maximum of \$30,000; and

15 (16) For the office of county council of a county with a
16 population of less than one hundred fifty thousand –
17 \$20,100 in the primary, \$9,900 in the general, for a
18 maximum of \$30,000.

19 Certified candidates who are unopposed in the primary election
20 shall receive thirty per cent of the primary allotment above,
21 provided the certified candidate will have a general election

1 opponent. Certified candidates who are unopposed in the general
2 election shall receive none of the general allotment above.

3 (b) Upon the certification for comprehensive public
4 funding, the commission shall direct the comptroller to
5 distribute the public funds allowed by this section from the
6 Hawaii election campaign fund by check or, when possible, by an
7 automatic transfer of funds. Public funds for the primary
8 election shall be distributed to the candidate within twenty
9 days from the date that the candidate's initial application and
10 qualifying contribution statement is approved by the commission
11 and, for the general election, within ten days from the date of
12 the primary election.

13 (c) The commission shall be under no obligation to provide
14 moneys to a certified candidate if moneys in the Hawaii election
15 campaign fund are near depletion as determined by the commission
16 pursuant to section 11-N.

17 (d) The amounts of public funding specified in subsection
18 (a) shall be adjusted by the commission no later than January 15
19 of a general election year in accordance with any change in the
20 consumer price index for all urban consumers as published by the
21 United States Department of Labor, Bureau of Labor Statistics,



1 during the period ending on December 31 in the year preceding
2 the general election year in which the adjustment is to be made.

3 **§11-H Certified candidates; continuing obligation;**
4 **restrictions; penalties.** (a) A certified candidate shall
5 comply with all requirements under this subpart through the
6 general election campaign period regardless of whether the
7 certified candidate maintains eligibility for public funding in
8 the general election campaign period.

9 (b) Upon certification for comprehensive public funding
10 and until the end of the general election campaign period, a
11 certified candidate shall not accept for campaign purposes any
12 money except public funds issued by the commission.

13 Contributions and loans from any person and any campaign
14 material purchased or held from a date prior to filing the
15 declaration of intent to seek comprehensive public funds shall
16 not be accepted.

17 (c) Upon certification for comprehensive public funding
18 and until the end of the general election campaign period, a
19 certified candidate shall not expend for campaign purposes any
20 money except public funds issued by the commission. Public
21 funds shall be used only for the purpose of defraying expenses



1 directly related to the certified candidate's campaign during
2 the election campaign period for which the public funds are
3 allocated and shall be in compliance with subpart G. A
4 certified candidate receiving funds under this subpart or the
5 candidate's campaign treasurer shall not transfer any portion of
6 the funds provided under this subpart to any other candidate for
7 another campaign. Public funds shall not be expended outside
8 the applicable campaign period.

9 (d) A certified candidate who is elected to the office
10 sought shall continue to be subject to the contribution and
11 expenditure restrictions of subsections (b) and (c) in addition
12 to complying with the other obligations of this subpart for the
13 duration of the term in office to which the candidate was
14 elected; provided that if after January 1 of the next general
15 election year an elected certified candidate notifies the
16 commission in writing that they intend to seek office in the
17 next general election and will not apply for comprehensive
18 public funding, the contribution and expenditure restrictions of
19 subsections (b) and (c) shall no longer apply to the candidate
20 concerning the next general election.



1 (e) If a certified candidate withdraws from seeking the
2 nomination for or from the election, all unexpended public funds
3 received by the candidate under this subpart shall be returned
4 to the Hawaii election campaign fund within thirty days after
5 withdrawal.

6 (f) A certified candidate who is successful in the primary
7 election may carry over any unexpended public funds to the
8 general election; provided that the certified candidate has an
9 opponent in the general election. If the certified candidate
10 does not have an opponent in the general election, the certified
11 candidate shall return all unexpended public funds received by
12 the certified candidate under this subpart to the Hawaii
13 election campaign fund within thirty days after the primary
14 election.

15 (g) A certified candidate who is not successful in the
16 primary or general election shall return all unexpended public
17 funds received by the certified candidate under this subpart to
18 the Hawaii election campaign fund within thirty days after the
19 election in which the candidate was not successful.

20 (h) A certified candidate who accepts contributions in
21 violation of this section shall be subject to a fine equal to



1 three times the public funding received, in addition to any
2 other action, fines, or prosecution under section 11-L and
3 subpart I, or any provision of the Hawaii penal code.

4 (i) A certified candidate who makes expenditures of more
5 than one hundred per cent of the public funds allocated to the
6 candidate shall repay to the Hawaii election campaign fund an
7 amount equal to three times the excess expenditures.

8 **§11-I Comprehensive publicly-funded candidates; reporting.**

9 (a) A certified candidate and the certified candidate's
10 committee shall furnish complete campaign records to the
11 commission, including all records of seed money contributions,
12 qualifying contributions, and expenditures. A certified
13 candidate shall fully cooperate with any audit or examination by
14 the commission.

15 (b) The reporting requirements for certified candidates
16 under this subpart, or as may be required by the commission,
17 shall be in addition to any other reporting requirement under
18 this part.

19 (c) All reports required by subpart D, seed money reports,
20 and post-election reports shall be filed with the commission.



1 (d) Seed money reports shall be filed with the commission
2 no later than:

- 3 (1) January 31 of a general election year;
4 (2) April 30 of a general election year; and
5 (3) Twenty days prior to the primary election.

6 (e) Each report shall be current through:

- 7 (1) The six-month period ending on December 31 for the
8 report filed on January 31;
9 (2) The three-month period ending on March 31 for the
10 report filed on April 30; and
11 (3) Thirty days prior to the primary election for the
12 report filed twenty days prior to the primary
13 election.

14 (f) The seed money reports shall include:

- 15 (1) The candidate committee's name and address;
16 (2) The amount of cash on hand at the beginning of the
17 reporting period;
18 (3) The reporting period and aggregate total for each of
19 the following categories:
20 (A) Contributions;
21 (B) Expenditures; and



- 1 (C) Other receipts; and
- 2 (4) The cash on hand at the end of the reporting period.
- 3 (g) Schedules filed with the seed money reports shall also
- 4 include:
 - 5 (1) The amount and date of deposit of each contribution
 - 6 and the name and address of each contributor who makes
 - 7 contributions aggregating more than \$100 in an
 - 8 election period; provided that if all the information
 - 9 is not on file, the contribution shall be returned to
 - 10 the contributor within thirty days of deposit;
 - 11 (2) All expenditures made, including the name and address
 - 12 of each payee and the amount, date, and purpose of
 - 13 each 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; and
 - 19 (3) 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.



1 (h) Post-election reports shall be submitted to the
2 commission no later than twenty days after a primary election
3 and no later than thirty days after a general election,
4 certifying that all public funds paid to the certified candidate
5 have been used as required by this subpart. The reports shall
6 include information regarding all expenditures made, including
7 the name and address of each payee and the amount, date, and
8 purpose of each expenditure. Expenditures for consultants,
9 advertising agencies and similar firms, credit card payments,
10 salaries, and candidate reimbursements shall be itemized to
11 permit a reasonable person to determine the ultimate intended
12 recipient of the expenditure and its purpose.

13 (i) All certified candidates shall file the reports
14 required under this subpart by electronic means in the manner
15 prescribed by the commission.

16 **§11-J Deposit of, and access to, public funds.** (a) All
17 public funds and seed money received by a certified candidate
18 shall be deposited directly into a depository institution as
19 provided under section 11-351(a) and accessed through the use of
20 debit cards and bank checks. No expenditure of public funds



1 received under this subpart shall be made except by debit cards
2 or checks drawn on such checking account.

3 (b) All reports required under subpart D and this subpart
4 for financial disclosure shall include the most recent,
5 available bank statement from the financial depository holding
6 the public funds, as attested to by the candidate's committee.

7 **§11-K Deposit of money into the Hawaii election campaign**
8 **fund.** The following moneys shall be deposited into the Hawaii
9 election campaign fund established under section 11-421:

- 10 (1) Appropriations made by the legislature for the
11 purposes of this subpart;
- 12 (2) Excess seed money contributions;
- 13 (3) Qualifying contributions, including any excess
14 qualifying contributions of certified candidates;
- 15 (4) Unspent public funds distributed to any certified
16 candidate;
- 17 (5) Fines levied by the commission for violation of this
18 subpart; and
- 19 (6) Voluntary donations made for the purposes of this
20 subpart.



1 **§11-L Violations; penalties.** Any candidate who knowingly
2 seeks to fraudulently qualify for or receive public funding
3 shall:

4 (1) Have the candidate's certification for comprehensive
5 public funding revoked. Upon revocation of
6 certification, the certified candidate shall repay all
7 public funds received within ten business days to the
8 Hawaii election campaign fund; and

9 (2) Be subject to fines and penalties as specifically
10 provided in this subpart and other fines or penalties
11 pursuant to sections 11-410 and 11-412 and the Hawaii
12 penal code.

13 **§11-M Forms; receipts; candidate guide and trainings.** The
14 campaign spending commission shall create and publish all forms
15 and receipts required to operate the comprehensive public
16 funding program. The commission shall create and publish a
17 candidates' guide to the comprehensive public funding program
18 that shall include an explanation of rules and procedures
19 applicable to candidates and shall be updated annually.



1 Prior to the 2024 primary election, the commission shall
2 provide at least four trainings on the program for candidates
3 and other interested individuals.

4 §11-N Sufficiency of funding for the comprehensive public
5 funding program. On September 1 of each odd-numbered year
6 before a general election year, the commission shall determine
7 whether there is a minimum of \$30,000,000 in the Hawaii election
8 campaign fund established under section 11-421 to certify
9 candidates during the next election and provide funding for the
10 comprehensive public funding program authorized under this
11 subpart.

12 Within five business days of the commission's
13 determination, the commission shall publish a notice statewide,
14 pursuant to section 1-28.5, stating whether the comprehensive
15 public funding program shall become effective on January 1 of
16 the following year. If there is insufficient funding, this
17 subpart shall be inoperative for that general election year."

18 SECTION 3. Section 11-421, Hawaii Revised Statutes, is
19 amended by amending subsections (b) and (c) to read as follows:

20 "(b) The fund shall consist of:



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

4 (2) Any general fund appropriations; ~~and~~

5 (3) All moneys designated for deposit into the fund
6 pursuant to section 11-K; and

7 ~~[(3)]~~ (4) Other moneys collected pursuant to this part.

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

12 SECTION 4. The campaign spending commission shall submit a
13 report of its findings and recommendations, including any
14 proposed legislation, to the legislature no later than forty
15 days prior to the convening of the regular session of 2024 on
16 any statutory amendments that may be necessary to facilitate the
17 implementation of this Act.

18 SECTION 5. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$30,000,000 or so
20 much thereof as may be necessary for fiscal year 2023-2024 for



1 deposit into the Hawaii election campaign fund established under
2 section 11-421, Hawaii Revised Statutes.

3 The sum appropriated shall be expended by the campaign
4 spending commission for the purposes of this Act.

5 SECTION 6. There is appropriated out of the Hawaii
6 election campaign fund established under section 11-421, Hawaii
7 Revised Statutes, the sum of \$200,000 or so much thereof as may
8 be necessary for fiscal year 2023-2024 and the same sum or so
9 much thereof as may be necessary for fiscal year 2024-2025 in
10 preparing for the comprehensive public funding of candidates in
11 elections taking place in 2024, including the hiring of two
12 full-time equivalent (2.0 FTE) temporary positions.

13 The sums appropriated shall be expended by the campaign
14 spending commission for the purposes of this Act.

15 SECTION 7. In codifying the new sections added by section
16 2 of this Act, the revisor of statutes shall substitute
17 appropriate section numbers for the letters used in designating
18 the new sections in this Act.

19 SECTION 8. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



1 SECTION 9. This Act shall take effect on July 1, 2023.

2

INTRODUCED BY: *Karl Rhoad*



S.B. NO. 1543

Report Title:

Comprehensive Public Funding; Campaign Spending Commission;
Report; Appropriation

Description:

Establishes a comprehensive system of public financing for all candidates seeking election to state and county public offices in the State of Hawaii, to begin with the 2024 general election year. Requires the Campaign Spending Commission to submit a report to the Legislature. Appropriates funds.

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

