#### THE SENATE THIRTY-SECOND LEGISLATURE, 2023 STATE OF HAWAII

S.B. NO.

### 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 existing campaign finance system used in Hawaii (and most other states) unfairly 6 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 also allowing elected officials to 12 make decisions without the influence, or appearance of influence, of private individuals, lobbyists, political parties, 13 14 political action committees, unions, corporations, and other 15 entities. Candidates who choose to participate in Hawaii's 16 comprehensive public funding program established by this Act, 17 after obtaining a minimum number of \$5 donations from voters,

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

9 The legislature further finds that public financing of campaigns in some form has existed since the 1970s and was 10 11 enacted as a response to Watergate. Hawaii 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 financing program that is still used by candidates. 15 Comprehensive public financing programs, sometimes termed "clean elections," were established in 1996 in Maine and in 1998 in 16 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

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funding pilot project that disbursed \$363,060 in public funds to 1 2 a total of sixteen candidates in the 2010 and 2012 county council elections within Hawaii county. The statewide program 3 is also guided by Maine's Clean Election Act, which since 2000 4 has supported legislative and gubernatorial candidates in a 5 6 state with a population similar to Hawaii. Under Maine's 7 program, a state senate candidate would need to obtain at least 8 one hundred seventy-five qualifying contributions in order to be eligible to receive up to \$70,000 in public funds, and a 9 10 qubernatorial candidate would need at least three thousand two 11 hundred qualifying contributions for up to \$3,000,000 in public 12 funds. Comparable levels of public funding will be necessary to 13 ensure that Hawaii'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 confidence in the State's candidates and elected officials. 18 Therefore, the purpose of this Act is to: 19 20 (1)Establish a comprehensive system of public financing 21 for all candidates seeking election to state and

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1		county public offices in the State, to begin with the
2		2026 general election year;
3	(2)	Appropriate funds to the Hawaii election campaign
4		fund; and
5	(3)	Appropriate funds from the Hawaii election campaign
6		fund to the campaign spending commission.
7	SECT	ION 2. Chapter 11, Hawaii Revised Statutes, is amended
8	by adding	a new subpart to part XIII to be appropriately
9	designate	d and to read as follows:
10	"	. Comprehensive Public Funding for Candidates to
11		State and County Offices
12	§11-	A Definitions. Except for terms that are specifically
13	defined i	n this subpart, terms that are defined under
14	section 1	1-302 shall apply to this subpart. When used in this
15	subpart,	unless the context clearly requires otherwise:
16	"Can	didate" means an individual who seeks nomination for
17	election	or seeks election to a state or county office in the
18	State.	
19	"Cer	tification for comprehensive public funding" means the
20	decision	by the commission that a candidate is certified to

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

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

7 "Comprehensive public funding", "comprehensive public
8 funds", "public funding", or "public funds" means campaign funds
9 from the Hawaii election campaign fund under section 11-421 that
10 are received by a certified candidate pursuant to this subpart.

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

14 "General election" means a general, subsequent special15 election, or subsequent nonpartisan election.

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

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

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"Primary election" means a primary, initial special 1 2 election, or initial nonpartisan election. 3 "Qualifying contribution" means a monetary contribution 4 that complies with section 11-E. 5 "Seed money" means contributions made to a candidate by an individual and expended for the purpose of determining campaign 6 7 viability in accordance with section 11-D. 8 **§11-B Establishment.** There shall be established a 9 comprehensive public funding program for candidates to state and 10 county public offices in the State, beginning with the 2026 11 general election year. 12 §11-C Qualifications for comprehensive public funding. 13 (a) A candidate shall be eligible to seek comprehensive public 14 funding for the primary election campaign period if the candidate: 15 16 Resides in the respective district from which election (1)17 is sought as of the date of the filing of nomination 18 papers for the primary election in the general 19 election year in which the candidate seeks to be 20 elected;

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

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1	(6)	Files an application for certification for
2		comprehensive public funding with the commission; and
3	(7)	Agrees to comply with contribution and expenditure
4		restrictions in accordance with section 11-H and with
5		other program requirements, if certified pursuant to
6		this subpart.
7	(b)	A candidate shall be qualified to seek comprehensive
8	public fu	nding for the general election campaign period if the
9	candidate	:
10	(1)	Was certified as a comprehensive publicly-funded
11		candidate during the primary election campaign period
12		immediately preceding the general election in which
13		the funds under this subpart are provided;
14	(2)	Continues to meet the requirements of subsection (a)
15		and this subpart; and
16	(3)	Received a sufficient number of votes to appear on the
17		ballot in the general election or is otherwise
18		certified by the county clerk to be placed on the
19		ballot in the general election.
20	(c)	For the purposes of this section, "primary election
21	campaign	period" means the period in a primary election year

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beginning with the certification for public funding under this
 subpart and ending on the primary election day.

3 §11-D Seed money contributions; limitations on use of seed
4 money; penalties. (a) The use of seed money shall be limited
5 to expenditures necessary to determine whether sufficient
6 support exists for a candidate to run for office as a
7 comprehensive publicly-funded candidate.

8 (b) The amount of seed money received, expended, or both, 9 by a candidate seeking eligibility for comprehensive public 10 funding shall not exceed \$5,000, which shall include any 11 personal funds, surplus campaign funds, or contributions 12 received from individuals in an aggregate amount no greater than 13 \$250 each that the candidate may choose to use. A candidate 14 seeking eligibility for comprehensive public funding shall not 15 accept contributions of seed money from any individual whose 16 contributions are prohibited under subpart E. All contributors 17 whose seed money has been accepted shall be issued a receipt by 18 the candidate.

19 (c) An individual who uses seed money to determine whether 20 sufficient support exists to run for office as a comprehensive 21 publicly-funded candidate who is not already registered with the

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commission, within ten days of receiving more than \$100 in seed
 money either from contributions or personal funds, shall
 register as a candidate by filing the organizational report
 required by section 11-321.

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

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

(f) A certified candidate who has surplus campaign funds from a previous election shall be prohibited from using those funds for any purpose except as seed money pursuant to this section. The surplus campaign funds shall be frozen and maintained in a separate depository account from that established for the public funds under section 11-J. The

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candidate shall continue to file reports on the surplus campaign
 funds in accordance with subpart D, or as may otherwise be
 required by the commission.

4 (g) For the purposes of this section, "surplus campaign
5 funds" means any campaign contributions not spent during a prior
6 election period by a candidate who previously sought election as
7 a privately-funded candidate.

8 \$11-E Application for comprehensive public funds; 9 qualifying contributions. (a) Each candidate seeking 10 comprehensive public funding shall submit an application for 11 certification that contains at least the minimum number of 12 qualifying contributions, as specified in subsection (b). Each 13 qualifying contribution shall be a monetary contribution of 14 exactly \$5 and in the form of cash, a check, or a money order 15 payable to the Hawaii election campaign fund and signed by the 16 contributor in support of a candidate, or an electronic form of 17 payment made in support of a candidate according to procedures 18 established by the commission. Further, each qualifying 19 contribution shall be accompanied by a form provided by the 20 commission that includes:

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1	(1)	The contributor's printed name, address, signature,
2		date of birth, and acknowledgement that the
3		contribution was made with the contributor's personal
4		funds and in support of the candidate and was not
5		given in exchange for anything of value; and
6	(2)	The candidate's acknowledgement that the contribution
7		was obtained with the candidate's knowledge and
8		approval and that nothing of value was given in
9		exchange for the contribution. Only registered voters
10		who reside within the respective district from which
11		the candidate seeks nomination or election at the time
12		the contribution is given shall be considered for
13		certification purposes. Nothing of value shall be
14		given to the individual in exchange for the qualifying
15		contribution.
16	(b)	The minimum number of qualifying contributions shall
17	be as fol	lows:
18	(1)	For the office of governor - 6,250 qualifying
19		contributions;
20	(2)	For the office of lieutenant governor - three thousand
21		qualifying contributions;

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1	(3)	For the office of state senator - four hundred
2		qualifying contributions;
3	(4)	For the office of state representative - two hundred
4		qualifying contributions;
5	(5)	For the office of Hawaiian affairs — two hundred
6		qualifying contributions;
7	(6)	For the office of mayor of a county with a population
8		of five hundred thousand or more - 5,750 qualifying
9	,	contributions;
10	(7)	For the office of mayor of a county with a population
11		of no less than 195,000 but no more than 499,999 -
12		nine hundred qualifying contributions;
13	(8)	For the office of mayor of a county with a population
14		of no less than one hundred fifty thousand but no more
15		than 194,999 — one thousand five hundred qualifying
16		contributions;
17	(9)	For the office of mayor of a county with a population
18	·	of less than one hundred fifty thousand - eight
19		hundred seventy-five qualifying contributions;

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1	(10)	For the office of prosecuting attorney of a county
2		with a population of five hundred thousand or more –
3		five hundred sixty-three qualifying contributions;
4	(11)	For the office of prosecuting attorney of a county
5		with a population of no less than 195,000 but no more
6		than 499,999 — two hundred qualifying contributions;
7	(12)	For the office of prosecuting attorney of a county
8		with a population of no less than one hundred fifty
9		thousand but no more than 194,999 — two hundred
10		qualifying contributions;
11	(13)	For the office of prosecuting attorney of a county
12		with a population of less than one hundred fifty
13		thousand — two hundred qualifying contributions;
14	(14)	For the office of county council of a county with a
15		population of five hundred thousand or more - three
16		hundred thirty-eight qualifying contributions;
17	(15)	For the office of county council of a county with a
18		population of no less than 195,000 but no more than
19		499,999 — two hundred qualifying contributions
20	(16)	For the office of county council of a county with a
21		population of no less than one hundred fifty thousand

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1		but no more than 194,999 — two hundred qualifying
2		contributions; and
3	(17)	For the office of county council of a county with a
4		population of less than one hundred fifty thousand $-$
5	•	two hundred qualifying contributions.
6	(c)	No qualifying contribution shall be collected before a
7	candidate	files a declaration of intent to seek comprehensive
8	public fu	nding with the commission. A contribution received
9	before th	e filing of a declaration of intent to seek
10	comprehen	sive public funding shall not be considered a
11	qualifyin	g contribution.
12	(d)	Any receipt for a qualifying contribution shall be
13	made in a	form prescribed by the commission pursuant to
14	section 1	1-M.
15	(e)	All qualifying contributions collected by a candidate,
16	regardles	s of whether the candidate is certified, shall be
17	deposited	into the Hawaii election campaign fund.
18	(f)	The application for certification shall be submitted
19	to the con	mmission no later than thirty days before the primary
20	election a	and shall be signed by the candidate and candidate's
21	campaign <sup>.</sup>	treasurer under penalty of perjury. The application

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1 shall contain any other information deemed necessary by the 2 commission.

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

7 S11-F Certification of qualification for comprehensive public funds. (a) The commission, in coordination with the 8 9 clerk for the county that includes the district in which 10 election is sought, shall verify that at least the minimum 11 required qualifying contributions and names were received by the 12 candidate from registered voters in the district in which the 13 candidate seeks office, that the candidate resides in the 14 district in which election is sought as of the date of the filing of nomination papers, and that the candidate is a 15 16 registered voter in the district in which election is sought. 17 The clerk for the county that includes the district in which election is sought shall provide to the commission the 18 19 information needed to make the verification, including the 20 names, addresses, dates of birth, and signatures of registered 21 voters in that district.

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1 (b) The commission shall issue a decision to certify or 2 deny certification of a candidate as a comprehensive publicly-funded candidate within ten business days following 3 4 receipt of the candidate's completed application for 5 certification for the receipt of comprehensive public funds. 6 (c) After a candidate is certified, the candidate's 7 certification shall apply to both the primary and general 8 elections. The certification and all determinations by the 9 (d) commission under this section shall be final and conclusive; 10 11 provided that they are subject to examination and audit by the 12 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)	For the office of governor $-$ \$1,675,000 in the primary
	election, \$825,000 in the general election, for a
	maximum of \$2,500,000;
(2)	For the office of lieutenant governor - \$804,000 in
	the primary election, \$396,000 in the general
	election, for a maximum of \$1,200,000;
(3)	For the office of state senator $-$ \$67,000 in the
	primary election, \$33,000 in the general election, for
	a maximum of \$100,000;
(4)	For the office of state representative - \$33,500 in
	the primary election, \$16,500 in the general election,
	for a maximum of \$50,000;
(5)	For the office of Hawaiian affairs - \$26,800 in the
	primary election, \$13,200 in the general election, for
	a maximum of \$40,000;
(6)	For the office of mayor of a county with a population
	of five hundred thousand or more $-$ \$1,541,000 in the
	primary election, \$759,000 in the general election,
	for a maximum of \$2,300,000;
(7)	For the office of mayor of a county with a population
	of no less than 195,000 but no more than 499,999 —
	<ul> <li>(2)</li> <li>(3)</li> <li>(4)</li> <li>(5)</li> <li>(6)</li> <li>(6)</li> <li>.</li> </ul>

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1		\$241,200 in the primary election, \$118,800 in the
2		general election, for a maximum of \$360,000;
3	(8)	For the office of mayor of a county with a population
4	·	of no less than one hundred fifty thousand but no more
5		than 194,999 - \$402,000 in the primary election,
6		\$198,000 in the general election, for a maximum of
7		\$600,000;
8	(9)	For the office of mayor of a county with a population
9		of less than one hundred fifty thousand - \$234,500 in
10		the primary election, \$115,500 in the general
11		election, for a maximum of \$350,000;
12	(10)	For the office of prosecuting attorney of a county
13		with a population of five hundred thousand or more $-$
14		\$150,750 in the primary election, \$74,250 in the
15		general election, for a maximum of \$225,000;
16	(11)	For the office of prosecuting attorney of a county
17		with a population of no less than 195,000 but no more
18		than $499,999 - \$26,800$ in the primary election,
19		\$13,200 in the general election, for a maximum of
20		\$40,000;

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1	(1Ż)	For the office of prosecuting attorney of a county
2		with a population of no less than one hundred fifty
3		thousand but no more than $194,999 - \$$ in the
4		primary election, \$ in the general election,
5		for a maximum of \$ ;
6	(13)	For the office of prosecuting attorney of a county
7	·	with a population of less than one hundred fifty
8		thousand $-$ \$16,750 in the primary election, \$8,250 in
9		the general election, for a maximum of \$25,000;
10	(14)	For the office of county council of a county with a
11		population of five hundred thousand or more - \$90,450
12		in the primary election, \$44,550 in the general
13		election, for a maximum of \$135,000;
14	(15)	For the office of county council of a county with a
15		population of no less than 195,000 but no more than
16		499,999 — \$13,400 in the primary election, \$6,600 in
17		the general election, for a maximum of \$20,000;
18	(16)	For the office of county council of a county with a
19		population of no less than one hundred fifty thousand
20		but no more than 194,999 - \$20,100 in the primary

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1	election, \$9,900 in the general election, for a
2	maximum of \$30,000; and
3	$(1\dot{7})$ For the office of county council of a county with a
4	population of less than one hundred fifty thousand $-$
5	\$20,100 in the primary election, \$9,900 in the general
6	election, for a maximum of \$30,000.
7	Any certified candidate who is unopposed in the primary election
8	shall receive thirty per cent of the primary election allotment
9	above; provided that the certified candidate shall have a
10	general election opponent. Certified candidates who are
11	unopposed in the general election shall receive none of the
12	general election allotment above.
13	(b) Upon the certification for comprehensive public
14	funding, the commission shall direct the comptroller to
15	distribute the public funds allowed by this section from the
16	Hawaii election campaign fund by check or, when possible, by an
17	automatic transfer of funds. Public funds for the primary
18	election shall be distributed to the candidate within twenty
19	days from the date that the candidate's initial application and
20	qualifying contribution statement are approved by the commission

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and, for the general election, within ten days after the date of
 the primary election.

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

7 (d) The amounts of public funding specified in subsection 8 (a) shall be adjusted by the commission no later than January 15 9 of a general election year in accordance with any change in the 10 consumer price index for all urban consumers as published by the 11 United States Department of Labor, Bureau of Labor Statistics, 12 during the period ending on December 31 in the year preceding 13 the general election year in which the adjustment is to be made.

14 §11-H Certified candidates; continuing obligation;
15 restrictions; penalties. (a) A certified candidate shall
16 comply with this subpart through the general election campaign
17 period regardless of whether the certified candidate maintains
18 eligibility for public funding in the general election campaign
19 period.

20 (b) Upon certification for comprehensive public funding
21 and until the end of the general election campaign period, a

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certified candidate shall not accept for campaign purposes any
 money except public funds issued by the commission.
 Contributions and loans from any person and any campaign
 material purchased or held from a date before filing the
 declaration of intent to seek comprehensive public funds shall
 not be accepted.

7 Upon certification for comprehensive public funding (C) and until the end of the general election campaign period, a 8 9 certified candidate shall not expend for campaign purposes any money except public funds issued by the commission. Public 10 11 funds shall be used only for the purpose of defraying expenses 12 directly related to the certified candidate's campaign during 13 the election campaign period for which the public funds are 14 allocated and shall be in compliance with subpart G. A 15 certified candidate receiving funds under this subpart or the 16 candidate's campaign treasurer shall not transfer any portion of 17 the funds provided under this subpart to any other candidate for another campaign. Public funds shall not be expended outside 18 19 the applicable campaign period.

20 (d) A certified candidate who is elected to the office
21 sought shall continue to be subject to the contribution and

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expenditure restrictions of subsections (b) and (c) and shall 1 comply with other provisions of this subpart for the duration of 2 the term in office to which the candidate was elected; provided 3 that if after January 1 of the next general election year an 4 elected certified candidate notifies the commission in writing 5 that the candidate intends to seek office in the next general 6 7 election and will not apply for comprehensive public funding, 8 the contribution and expenditure restrictions of subsections (b) and (c) shall no longer apply to the candidate concerning the 9 10 next general election.

(e) If a certified candidate withdraws from the election, all unexpended public funds received by the candidate under this subpart shall be returned to the Hawaii election campaign fund within thirty days after withdrawal.

(f) A certified candidate who is successful in the primary election may carry over any unexpended public funds to the general election; provided that the certified candidate has an opponent in the general election. If the certified candidate is successful in the general election, the certified candidate shall return all unexpended public funds received by the certified candidate under this subpart to the Hawaii election

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1 campaign fund within thirty days after the general election. If 2 the certified candidate does not have an opponent in the general 3 election, the certified candidate shall return all unexpended 4 public funds received by the certified candidate under this 5 subpart to the Hawaii election campaign fund within thirty days 6 after the primary election.

7 (g) A certified candidate who is not successful in the 8 primary or general election shall return all unexpended public 9 funds received by the certified candidate under this subpart to 10 the Hawaii election campaign fund within thirty days after the 11 election in which the candidate was not successful.

(h) A certified candidate who accepts contributions in violation of this section shall be subject to a fine equal to three times the amount of public funding the candidate received, in addition to any other action, fines, or prosecution under section 11-L and subpart I, or any provision of the Hawaii Penal Code.

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

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(j) For the purposes of this section, "excess expenditure"
 means the amount of public funds spent or obligated to be spent
 by a comprehensive publicly-funded candidate in excess of one
 hundred per cent of the allocated funds for a primary election,
 general election, or both.

6 §11-I Comprehensive publicly-funded candidates; reporting. 7 (a) A certified candidate and the certified candidate's 8 committee shall furnish complete campaign records to the 9 commission, including all records of seed money contributions, 10 qualifying contributions, and expenditures. A certified 11 candidate shall fully cooperate with any examination or audit by 12 the commission.

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

(c) All reports required by subpart D, seed money reports,
and post-election reports shall be filed with the commission.
(d) Seed money reports shall be filed with the commission
no later than:

21

January 31 of a general election year;

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1	(2)	
1	(2)	April 30 of a general election year; and
2	(3)	Twenty days before the primary election.
3	(e)	Each seed money report shall be current through:
4	(1)	The six-month period ending on December 31 for the
5		report filed on January 31;
6	(2)	The three-month period ending on March 31 for the
7		report filed on April 30; and
8	(3)	Thirty days before the primary election for the report
9		filed twenty days before the primary election.
10	(f)	The seed money reports 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	(g)	Schedules filed with the seed money reports shall also
21	include:	

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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
16		receipts, and the name and address of the source of
17		each of the other receipts.
18	(h)	Post-election reports shall be submitted to the
19	commission no later than twenty days after a primary election	
20	and no later than thirty days after a general election,	
21	certifying that all public funds paid to the certified candidate	

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have been used as required by this subpart. The reports shall 1 include information regarding all expenditures made, including 2 the name and address of each payee and the amount, date, and 3 purpose of each expenditure. Expenditures for consultants, 4 advertising agencies and similar firms, credit card payments, 5 salaries, and candidate reimbursements shall be itemized to 6 7 permit a reasonable person to determine the ultimate intended 8 recipient of the expenditure and its purpose.

9 (i) All certified candidates shall file the reports
10 required under this subpart by electronic means in the manner
11 prescribed by the commission.

12 §11-J Deposit of, and access to, public funds. (a) All 13 public funds and seed money received by a certified candidate 14 shall be deposited directly into a depository institution as 15 provided under section 11-351(a) and accessed through the use of 16 debit cards and bank checks. No expenditure of public funds 17 received under this subpart shall be made except by debit cards 18 or checks drawn on such checking account.

(b) All reports required under subpart D and this subpart
for financial disclosure shall include the most recent,
available bank statement from the financial depository

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1 institution holding the public funds, as attested to by the 2 candidate committee. §11-K Deposit of money into the Hawaii election campaign 3 4 fund. The following moneys shall be deposited into the Hawaii election campaign fund established under section 11-421: 5 Appropriations made by the legislature for the 6 (1)7 purposes of this subpart; 8 Excess seed money contributions; (2) 9 (3) Qualifying contributions, including any excess qualifying contributions of certified candidates; 10 11 (4) Unspent public funds distributed to any certified 12 . candidate; 13 Fines levied by the commission for violation of this (5) 14 subpart; and 15 (6) Voluntary donations made for the purposes of this 16 subpart. 17 **§11-L Violations; penalties.** Any candidate who knowingly attempts to fraudulently qualify for or receive public funding 18 19 shall: (1) Have the candidate's certification for comprehensive 20 21 public funding revoked. Upon revocation of

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certification, the certified candidate shall repay all 1 public funds received within ten business days to the 2 Hawaii election campaign fund; and 3 (2) Be subject to fines and penalties as specifically 4 provided in this subpart and other fines or penalties 5 pursuant to sections 11-410 and 11-412 and the Hawaii 6 7 Penal Code. §11-M Forms; receipts; candidate guide and trainings. 8 The 9 campaign spending commission shall create and publish all forms 10 and receipts required to operate the comprehensive public 11 funding program. The commission shall create and publish a 12 candidates' quide to the comprehensive public funding program 13 that shall include an explanation of rules and procedures 14 applicable to candidates and be updated annually.

15 Before the 2026 primary election, the commission shall
16 provide at least four trainings on the program for candidates
17 and other interested individuals.

18 §11-N Sufficiency of funding for the comprehensive public 19 funding program. On September 1 of each odd-numbered year 20 before a general election year, the commission shall determine 21 whether there is a minimum of \$30,000,000 in the Hawaii election

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campaign fund established under section 11-421 to certify
 candidates during the next election and provide funding for the
 comprehensive public funding program authorized under this
 subpart.

5 Within five business days of the commission's 6 determination, the commission shall publish a notice statewide, 7 pursuant to section 1-28.5, stating whether the comprehensive 8 public funding program will become effective on January 1 of the 9 following year. If there is insufficient funding, this subpart 10 shall be inoperative for that general election year."

SECTION 3. Section 11-421, Hawaii Revised Statutes, is amended by amending subsections (b) and (c) to read as follows: (b) The fund shall consist of:

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

17 (2) Any general fund appropriations; [and]

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

20 [<del>(3)</del>] (4) Other moneys collected pursuant to this part.



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

5 SECTION 4. The campaign spending commission shall submit a 6 progress report of its findings and recommendations, including 7 any proposed legislation, to the legislature no later than forty 8 days prior to the convening of the regular session of 2026 on 9 any statutory amendments that may be necessary to facilitate the 10 implementation of this Act.

SECTION 5. The campaign spending commission shall submit a final report of its findings and recommendations, including any proposed legislation, to the legislature no later than forty days prior to the convening of the regular session of 2028 on any statutory amendments that may be necessary to facilitate the implementation of this Act.

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2023-2024 for deposit into the Hawaii election campaign fund established under section 11-421, Hawaii Revised Statutes.

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1 SECTION 7. There is appropriated out of the Hawaii election campaign fund established under section 11-421, Hawaii 2 Revised Statutes, the sum of \$ or so much thereof as 3 may be necessary for fiscal year 2023-2024 and the same sum or 4 so much thereof as may be necessary for fiscal year 2024-2025 in 5 6 preparing for the comprehensive public funding of candidates in 7 elections taking place in 2026, including the hiring of two full-time equivalent (2.0 FTE) temporary positions. 8 The sums appropriated shall be expended by the campaign 9 10 spending commission for the purposes of this Act. SECTION 8. In codifying the new sections added by 11 section 2 of this Act, the revisor of statutes shall substitute 12 13 appropriate section numbers for the letters used in designating 14 the new sections in this Act. 15 SECTION 9. Statutory material to be repealed is bracketed 16 and stricken. New statutory material is underscored. 17 SECTION 10. This Act shall take effect on March 22, 2075.

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#### Report Title:

Comprehensive Public Funding; Campaign Spending Commission; Report; Appropriations

#### Description:

Establishes a comprehensive system of public financing for all candidates seeking election to state and county public offices in the State, to begin with the 2026 general election year. Requires the Campaign Spending Commission to submit a progress and final report to the Legislature. Appropriates funds. Effective 03/22/2075. (HD1)

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



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