### A BILL FOR AN ACT

RELATING TO PARTIAL PUBLIC FINANCING OF ELECTIONS.

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

1 SECTION 1. The legislature finds that the house of 2 representatives adopted House Resolution No. 9 (2022) to 3 establish the commission to improve standards of conduct. The 4 resolution requests the commission ensure state laws and rules 5 relating to standards of conduct of public officers and 6 employees contain clear standards, enforcement, and penalties 7 and provide recommendations to increase awareness of, compliance 8 with, and deterrent effects of the code of ethics, lobbying 9 laws, campaign finance laws, and other relevant laws and rules. 10 Pursuant to House Resolution No. 9, the commission to improve standards of conduct convened regularly throughout 2022 11 12 to diligently review, discuss, and consider the issues 13 presented, submitted an interim report to the house of 14 representatives outlining areas of immediate and long-term 15 focus, then continued its work with input from the public and 16 invited individuals and agencies to issue a final report with 17 various recommendations and accompanying proposed legislation.

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1	The legislature also finds that the strength and stability
2	of our democratic government rely upon the public's trust in
3	government institutions, including the expectation that officers
4	act ethically with prudence, integrity, and sound judgement.
5	Therefore, an essential goal of the Commission was to provide
6	recommendations that would help restore public trust in state
7	government and increase the level of transparency in its
8	operations and accountability of individuals.
9	Additionally, the legislature finds that the amounts
10	available to candidates in Hawaii's partial public financing
11	program was last amended in 1995. Since that time, the value of
12	the dollar has risen to approximately \$1.92.
13	Accordingly, the purpose of this Act is to increase the
14	amount of funds available to candidates qualified to participate
15	in the partial public financing program by, among other things:
16	(1) Increasing the amount of funds available to all
17	candidates, including candidates for the board of
18	trustees for the office of Hawaiian affairs, who run
19	<pre>state-wide;</pre>
20	(2) Increasing the matching fund payments from \$1 for each
21	\$1 of qualifying contributions in excess of the

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1		minimum qualifying contribution amounts to \$2 for each
2		<pre>\$1 of excess qualifying contributions;</pre>
3	(3)	Making downward adjustments to the amount of minimum
4		qualifying contributions required for the office of
5		the prosecuting attorney for the city and county of
6		Honolulu, county of Hawaii, and county of Kauai, and
7		the office of county council for the county of Maui;
8		and
9	(4)	Appropriating funds from the general revenues of the
10		State to increase the amount of funds available in the
11		partial public financing program and to permit the
12		campaign spending commission to hire more staff to
13		address the anticipated increase in participation in
14		the partial public financing program.
15	SECT	ION 2. Section 11-425, Hawaii Revised Statutes, is
16	amended t	o read as follows:
17	"§11	-425 Maximum amount of public funds available to
18	candidate	. (a) The maximum amount of public funds available in
19	each elec	tion to a candidate for the office of governor,
20	lieutenan	t governor, or mayor of the city and county of Honolulu
21	and the c	ounty of Hawaii, shall not exceed [ <del>ten</del> ] <u>fifteen</u> per



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cent of the expenditure limit established in section 11-423(d)
 for each election.

3 (b) The maximum amount of public funds available in each
4 election to a candidate for the office of state senator, state
5 representative, mayor of the county of Kauai and the county of
6 Maui, county council member, and prosecuting attorney shall not
7 exceed [fifteen] twenty-two and a half per cent of the
8 expenditure limit established in section 11-423(d) for each
9 election.

10 (c) For the office of Hawaiian affairs, the maximum amount
11 of public funds available to a candidate shall not exceed
12 [\$1,500 in any election year.] ten per cent of the expenditure
13 limit established in section 11-423(d) for each election.

14 (d) [For all other offices, the maximum amount of public 15 funds available to a candidate shall not exceed \$100 in any 16 election year.

17 (e)] Each candidate who qualified for the maximum amount 18 of public funding in any primary election and who is a candidate 19 for a subsequent general election shall apply with the 20 commission to be qualified to receive the maximum amount of 21 public funds as provided in this section for the respective



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general election. For purposes of this section, "qualified"
 means meeting the qualifying campaign contribution requirements
 of section 11-429."

4 SECTION 3. Section 11-429, Hawaii Revised Statutes, is 5 amended by amending subsections (a) and (b) to read as follows: 6 "(a) As a condition of receiving public funds for a 7 primary or general election, a candidate shall not be unopposed in any election for which public funds are sought, shall have 8 9 filed an affidavit with the commission pursuant to section 11-10 423 to voluntarily limit the candidate's campaign expenditures, 11 and shall be in receipt of the following sum of qualifying 12 contributions from individual residents of Hawaii: 13 For the office of governor--qualifying contributions (1) 14 that in the aggregate exceed \$100,000; 15 (2) For the office of lieutenant governor--qualifying 16 contributions that in the aggregate exceed \$50,000; 17 (3) For the office of mayor for each respective county: County of Honolulu--qualifying contributions that 18 (A) 19 in the aggregate exceed \$50,000; 20 (B) County of Hawaii--qualifying contributions that 21 in the aggregate exceed \$15,000;



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1		(C) County of Mauiqualifying contributions that in
2		the aggregate exceed \$10,000; and
3		(D) County of Kauaiqualifying contributions that in
4		the aggregate exceed \$5,000;
5	(4)	For the office of prosecuting attorney for each
6		respective county:
7		(A) County of Honoluluqualifying contributions that
8		in the aggregate exceed [ <del>\$30,000;</del> ] <u>\$25,000;</u>
9		(B) County of Hawaiiqualifying contributions that
10		in the aggregate exceed [ <del>\$10,000;</del> ] <u>\$5,000;</u> and
11		(C) County of Kauaiqualifying contributions that in
12		the aggregate exceed [ <del>\$5,000;</del> ] <u>\$3,000;</u>
13	(5)	For the office of county councilfor each respective
14		county:
15		(A) County of Honoluluqualifying contributions that
16		in the aggregate exceed \$5,000;
17		(B) County of Hawaiiqualifying contributions that
18		in the aggregate exceed \$1,500;
19		(C) County of Mauiqualifying contributions that in
20		the aggregate exceed [ <del>\$5,000;</del> ] <u>\$4,000;</u> and

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1		(D) County of Kauaiqualifying contributions that in
2		the aggregate exceed \$3,000;
3	(6)	For the office of state senatorqualifying
4		contributions that, in the aggregate exceed \$2,500;
5	(7)	For the office of state representativequalifying
6		contributions that, in the aggregate, exceed \$1,500;
7	(8)	For the office of Hawaiian affairsqualifying
8		contributions that, in the aggregate, exceed $[\$1,500;$ ]
9		<u>\$5,000;</u> and
10	(9)	For all other offices, qualifying contributions that,
11		in the aggregate, exceed \$500.
12	(b)	A candidate shall obtain the minimum qualifying
13	contribut	ion amount set forth in subsection (a) once for the
14	election	period.
15	(1)	If the candidate obtains the minimum qualifying
16		contribution amount, the candidate is eligible to
17		receive:
18		(A) The minimum payment in an amount equal to the
19		minimum qualifying contribution amounts; and



1	(B) Payments of $[\$1]$ $\$2$ for each \$1 of qualifying
2	contributions in excess of the minimum qualifying
3	contribution amounts; and
4	(2) A candidate shall have at least one other qualified
5	candidate as an opponent for the primary or general
6	election to receive public funds for that election."
7	SECTION 4. There is appropriated out of the general
8	revenues of the State of Hawaii the sum of \$ or so
9	much thereof as may be necessary for fiscal year 2023-2024 and
10	the same sum or so much thereof as may be necessary for fiscal
11	year 2024-2025 to be deposited into the Hawaii election campaign
12	fund.
13	SECTION 5. There is appropriated out of the general
14	revenues of the State of Hawaii the sum of \$200,000 or so much
15	thereof as may be necessary for fiscal year 2023-2024 and the
16	same sum or so much thereof as may be necessary for fiscal year
17	2024-2025 for two full-time equivalent (2.0 FTE) permanent
18	positions to be placed within the campaign spending commission
19	to address the anticipated increase in participation in the
20	partial public financing program.

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The sums appropriated shall be expended by the campaign 1 2 spending commission for the purposes of this Act. 3 SECTION 6. This Act does not affect rights and duties that 4 matured, penalties that were incurred, and proceedings that were 5 begun before its effective date. 6 SECTION 7. Statutory material to be repealed is bracketed 7 and stricken. New statutory material is underscored. 8 SECTION 8. This Act shall take effect on July 1, 2023. 9 (50 INTRODUCED BY:

JAN 2 0 2023



#### Report Title:

Commission to Improve Standards of Conduct; Elections; Partial Public Financing; Office of Hawaiian Affairs; Increases; Appropriation

### Description:

Increases the amount of partial public financing available for all offices. Increases the maximum amount of public funds available for all offices by fifty per cent. Increases the maximum amount of public funds available for a candidate for OHA from \$1,500 to ten per cent of the expenditure limit established by statute for each election. Increases the amounts of qualifying contributions for OHA from more than \$1,500 in the aggregate to more than \$5,000 in the aggregate. Provides a downward adjustment of the minimum amounts of qualifying contributions for the office of prosecuting attorney for the city and county of Honolulu, and counties of Hawaii and Kauai, and for the office of county council for the county of Maui. Establishes two full-time equivalent (2.0 FTE) positions in the campaign spending commission. 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.

