
A BILL FOR AN ACT

RELATING TO ELECTIONS.

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

1 SECTION 1. The legislature finds that the current campaign
2 finance system is perceived to favor wealthy donors who may
3 unduly influence candidates and elected officials through
4 campaign donations. Campaign programs that are publicly funded
5 are intended to improve the election process by giving
6 candidates the option to campaign without the use of private
7 funds and allowing elected officials to make decisions without
8 any undue influence by other entities.

9 The legislature further finds that a democracy voucher
10 program is a method of public financing that provides
11 individuals with a certain number of vouchers that have monetary
12 value, funded by taxpayer dollars, and can be pledged to
13 eligible candidates. A democracy voucher program was approved
14 for use in Seattle, Washington through a 2015 citywide
15 referendum, and since the program's approval, millions of
16 dollars in public funding have been used for local elections,
17 with Seattle voters allocating nearly 95,000 vouchers, worth



1 almost \$2,400,000, to fund local city council elections,
2 supporting over thirty different campaigns. The establishment
3 of a similar democracy voucher program in the State will help to
4 bolster public confidence in the State's election process and
5 encourage new candidates and more elected officials to campaign
6 without the influence of private donations.

7 Accordingly, the purpose of this Act is to establish a
8 voluntary democracy dollars program to provide vouchers to
9 certain residents of the State that can be used to make
10 contributions to qualified candidates.

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

14 " . **DEMOCRACY DOLLARS PROGRAM**

15 **§11-A Purpose.** The purpose of the voluntary democracy
16 dollars program is to improve the electoral process for elected
17 offices of Hawaii by:

- 18 (1) Ensuring that access to wealth and networks of wealthy
19 contributors is not a prerequisite for candidates to
20 run competitive campaigns;



- 1 (2) Reducing elected officials' reliance on large
- 2 donations from wealthy contributors and special
- 3 interests, which will reduce opportunities for
- 4 corruption and the appearance of corruption in
- 5 government;
- 6 (3) Enlarging public discussion of important issues in an
- 7 election;
- 8 (4) Freeing candidates from the rigors of fundraising;
- 9 (5) Restoring public confidence in the electoral and
- 10 legislative processes; and
- 11 (6) Increasing meaningful citizen participation, which
- 12 should not be limited to people and entities with
- 13 significant wealth that may make large campaign
- 14 contributions.

15 **§11-B Definitions.** As used in this subpart:

16 "Democracy dollars fund" or "fund" means the subaccount
17 created under section 11-421(b) (3) for the purpose of funding
18 the democracy dollars program.

19 "Eligible resident" means an individual who:

- 20 (1) Is at least eighteen years old on the date of the
- 21 election for which vouchers are distributed;



1 (2) Currently resides in the State and has resided in the
2 State for more than thirty days;

3 (3) Is not prohibited from making a contribution under
4 title 52 United States Code section 30121;

5 "Eligible office" means the following offices:

6 (1) Governor;

7 (2) Lieutenant governor;

8 (3) State senator;

9 (4) State representative; and

10 (5) Office of Hawaiian affairs trustee.

11 "Program" means the democracy dollars program the
12 commission administers under section 11-C.

13 "Qualified candidate" means an individual who is certified
14 by the commission to receive voucher funds under section 11-H.

15 "Qualifying contribution" means a monetary contribution,
16 excluding a loan, in an amount greater than or equal to \$10 and
17 less than the contribution limit specified under section
18 11-H(d).

19 **§11-C Democracy dollars program; established;**

20 **administration.** (a) There is established a democracy dollars
21 program to be administered by the commission to provide vouchers



1 to eligible residents for the purpose of making contributions to
2 qualified candidates, beginning with the 2028 elections.

3 (b) Under the program, the commission shall:

4 (1) Develop and adopt forms necessary to administer the
5 program;

6 (2) Design a voucher that includes the following elements:

7 (A) The election for which the commission issues the
8 voucher;

9 (B) A serial number and bar code;

10 (C) The amount of voucher funds the voucher
11 represents;

12 (D) The full name of the eligible resident who may
13 assign the voucher;

14 (E) A place to write the name of the qualified
15 candidate to whom the eligible resident assigns
16 the voucher;

17 (F) A statement informing the eligible resident of
18 the following:

19 (i) The last date by which the eligible resident
20 may assign and deliver the voucher;



- 1 (ii) The eligible resident may not revoke an
- 2 assignment of the voucher;
- 3 (iii) The eligible resident may not transfer the
- 4 voucher;
- 5 (iv) The voucher has no monetary value; and
- 6 (v) The eligible resident may assign the voucher
- 7 only as provided under section 11-E;
- 8 (G) A statement that affirms that the eligible
- 9 resident assigns the voucher voluntarily, free
- 10 from duress, and not in exchange for
- 11 consideration;
- 12 (H) A signature line; and
- 13 (I) Additional information as the commission
- 14 determines is necessary;
- 15 (3) Provide educational materials and trainings to
- 16 candidates and the public, including the following:
- 17 (A) Developing and conducting in-person training for
- 18 candidates;
- 19 (B) Publishing guides and manuals for the public,
- 20 candidates, public officials, political parties,
- 21 and committees;



- 1 (C) Publishing a timeline of important dates for the
- 2 program;
- 3 (D) Conducting education and outreach for the general
- 4 public;
- 5 (E) Providing all program materials in hard copy form
- 6 and on the commission's public-facing website;
- 7 (F) Providing all program materials in the following
- 8 languages:
 - 9 (i) English;
 - 10 (ii) Olelo Hawaii; and
 - 11 (iii) Additional languages as required by law or
 - 12 determined by the commission;
- 13 (4) Administering the democracy dollars fund, including:
 - 14 (A) Determining whether the fund has sufficient
 - 15 voucher funds to fund all qualified candidates;
 - 16 provided that if the commission determines the
 - 17 fund has insufficient funds to fund all qualified
 - 18 candidates, the commission shall:
 - 19 (i) Notify all qualified candidates that the
 - 20 fund has insufficient funds;



- 1 (ii) Establish a final date by which an eligible
- 2 resident may assign a voucher; and
- 3 (iii) Authorize the disbursement of remaining
- 4 voucher funds to each qualified candidate in
- 5 proportion to the number of vouchers
- 6 assigned to the qualified candidate;
- 7 (B) Conducting an independent audit of the fund
- 8 following each general election in an even-
- 9 numbered year and developing projections for the
- 10 fund for no fewer than three election periods;
- 11 (C) Depositing moneys the commission receives as
- 12 fines for violations of this subpart into the
- 13 fund; and
- 14 (D) Depositing moneys the commission receives under
- 15 sections 11-H and 11-J into the fund;
- 16 (5) Conducting a review of the program following each
- 17 general election in an even-numbered year and
- 18 submitting a report to the legislature no later than
- 19 September 1 of the year following the year in which
- 20 the State holds a general election; provided that the
- 21 report shall include the following information:



- 1 (A) A summary of the following for the election
- 2 period:
- 3 (i) The number of candidates and the number of
- 4 qualified candidates running for eligible
- 5 office;
- 6 (ii) The number of vouchers distributed by the
- 7 commission;
- 8 (iii) The number of unused vouchers and the number
- 9 of vouchers paid by the commission;
- 10 (iv) The amount of money in the fund before and
- 11 after the two-year election period;
- 12 (v) A financial projection of the fund for the
- 13 subsequent three even-year general
- 14 elections;
- 15 (vi) The number and nature of public education
- 16 and outreach events conducted; and
- 17 (vii) The number of individuals who participated
- 18 in the commission's education and outreach
- 19 events;



- 1 (B) Recommendations for legislative changes to
- 2 improve the program, including any
- 3 recommendations for adjustments to the following:
- 4 (i) The number of qualifying contributions
- 5 required under section 11-H(b);
- 6 (ii) The amount of voucher funds a qualified
- 7 candidate may receive under section 11-F(b);
- 8 (iii) The number of vouchers the commission
- 9 provides an eligible resident under section
- 10 11-D(a); and
- 11 (iv) The amount of voucher funds that a voucher
- 12 provides to a qualified candidate upon
- 13 assignment and redemption;
- 14 (C) An independent financial audit of the program;
- 15 and
- 16 (D) An independent operational audit of the program;
- 17 (5) Creating and maintaining a public-facing digital
- 18 platform that:
- 19 (A) Provides a mechanism by which an eligible
- 20 resident may assign any of that resident's
- 21 vouchers to a qualified candidate;



- 1 (B) Displays publicly the following information for
- 2 each voucher an eligible resident assigns:
- 3 (i) The name of the eligible resident assigning
- 4 the voucher;
- 5 (ii) The date on which the eligible resident
- 6 assigned the voucher;
- 7 (iii) The qualified candidate to whom the eligible
- 8 resident assigned the voucher; and
- 9 (iv) The serial number of the voucher;
- 10 (7) Conducting proceedings as provided under subpart I to
- 11 determine whether a person violates this subpart;
- 12 provided that the commission shall assess
- 13 administrative fines and make criminal referrals as
- 14 provided under subpart I and this subpart for
- 15 violations of this subpart; and
- 16 (8) Adopting rules pursuant to chapter 91 necessary to
- 17 administer the program.

18 **§11-D Democracy dollars vouchers; distribution.** (a)

19 Except as provided in subsection (b), the commission shall mail
20 four vouchers to each eligible resident who is registered to
21 vote on the first day of the fourth month prior to the month in



1 which a primary election occurs. The commission shall mail the
2 vouchers to the address associated with the eligible resident's
3 registration.

4 (b) The commission shall not mail vouchers to an eligible
5 resident if the eligible resident does the following:

6 (1) Indicates on a form developed by the commission that
7 the eligible resident wants to receive the vouchers by
8 email; and

9 (2) Provides the commission with a valid email address.

10 (c) An eligible resident who is not registered to vote on
11 the first day of the fourth month prior to the month in which a
12 primary election occurs may request vouchers from the
13 commission. The commission shall provide the eligible resident
14 the same number of vouchers as provided under subsection (a)
15 after the commission verifies the person is an eligible
16 resident. The commission shall establish procedures for
17 verifying that an individual is an eligible resident.

18 (d) An eligible resident may apply to the commission to
19 replace a voucher if the eligible resident provides a statement
20 on a form developed by the commission that the voucher is lost
21 or stolen. The commission shall develop a procedure to



1 determine whether to issue the eligible resident a replacement
2 voucher. The commission shall cancel any voucher the commission
3 determines is lost or stolen.

4 **§11-E Assignment of vouchers.** (a) An eligible resident
5 may assign a voucher by:

6 (1) Mailing the voucher to the commission; provided that a
7 voucher shall be assigned if the voucher is postmarked
8 no later than thirty days after the day of the general
9 election;

10 (2) Delivering the voucher to a candidate or a
11 representative of the candidate that is registered
12 with the commission for the purpose of receiving a
13 voucher. For the purposes of this paragraph, the
14 following individuals may be registered as a
15 representative of the candidate:

16 (A) An unpaid volunteer for the candidate's campaign;
17 or

18 (B) A member of the candidate's campaign staff who is
19 regularly employed by the campaign;

20 (3) Delivering the voucher to the commission; or



1 (4) Assigning the voucher on a secure digital platform
2 created by the commission for the purpose of assigning
3 a voucher.

4 (b) If an eligible resident assigns a voucher to a
5 qualified candidate under subsection (a)(1), (2), and (3), the
6 eligible resident shall:

7 (1) Write the name of a qualified candidate on the
8 voucher; and

9 (2) Sign and date the voucher.

10 (c) An eligible resident shall not:

11 (1) Change the assignment of a voucher after the eligible
12 resident assigns the voucher;

13 (2) Assign a voucher by proxy, power of attorney, or
14 agent;

15 (3) Assign a voucher in a manner other than as provided
16 under subsection (b); or

17 (4) Assign a voucher later than thirty days after the day
18 of the general election.

19 **§11-F Voucher funds; disbursement.** (a) The commission
20 shall direct the comptroller to disburse voucher funds pursuant



1 to this section to a qualified candidate if the commission
2 verifies the following:

3 (1) The candidate to whom the voucher is assigned is a
4 qualified candidate at the time the commission
5 authorizes the disbursement of the voucher funds;

6 (2) The voucher is properly signed and assigned by an
7 eligible resident; and

8 (3) The candidate to whom the voucher is assigned has not
9 exceeded the voucher funds limits specified under this
10 section at the time the commission authorizes the
11 disbursement of the voucher funds.

12 (b) Subject to subsections (c) and (e), the commission
13 shall not authorize the disbursement of more than the following
14 amounts to a qualified candidate, based on the qualified
15 candidate's eligible office:

16 (1) Governor: \$1,675,000 for the primary election;
17 \$2,500,000 for the primary and general elections
18 combined;

19 (2) Lieutenant governor: \$804,000 for the primary
20 election; \$1,200,000 for the primary and general
21 elections combined;



1 (3) State senator: \$67,000 for the primary election;
2 \$100,000 for the primary and general elections
3 combined;

4 (4) State representative: \$33,500 for the primary
5 election; \$50,000 for the primary and general
6 elections combined; and

7 (5) Office of Hawaiian affairs: \$26,800 for the primary
8 election; \$40,000 for the primary and general
9 elections combined.

10 (c) To be eligible to receive the maximum amounts under
11 subsection (b), a qualified candidate shall be opposed by
12 another candidate who either is a qualified candidate or has
13 received contributions or made expenditures that, in the
14 aggregate, exceed \$10,000 during the current election period.
15 For qualified candidates who are not opposed as described in
16 this subsection, the commission shall not authorize the
17 disbursement of more than the following amounts, based on the
18 qualified candidate's eligible office:

19 (1) Governor: \$50,000 for the primary election; \$50,000
20 for the general election;



- 1 (2) Lieutenant governor: \$25,000 for the primary election;
2 \$25,000 for the general election;
- 3 (3) State senator: \$12,500 for the primary election;
4 \$12,500 for the general election;
- 5 (4) State representative: \$10,000 for the primary
6 election; \$10,000 for the general election; and
- 7 (5) Office of Hawaiian affairs: \$10,000 for the primary
8 election; \$10,000 for the general election.
- 9 (d) A qualified candidate who was opposed in the election
10 period as described in subsection (c) but is no longer opposed
11 shall not be required to return voucher funds the candidate
12 received in excess of the amounts specified in subsection (c)
13 solely because the candidate is no longer opposed. The
14 qualified candidate shall not be eligible for any additional
15 voucher funds for the election for which the candidate is not
16 opposed; provided that the candidate may receive voucher funds
17 to pay for expenditures made while the candidate was opposed if
18 the candidate's committee does not have sufficient funds to pay
19 for the expenditures.
- 20 (e) The commission shall adjust the amounts specified
21 under subsections (b) and (c) for any change in the consumer



1 price index for all urban consumers, as published by the United
2 States Department of Labor's Bureau of Labor Statistics, no
3 later than six months prior to the primary election for each
4 eligible office.

5 (f) The commission shall determine and publish in its
6 timeline under section 11-C(b)(4)(C) all dates on which the
7 commission authorizes the disbursement of voucher funds, subject
8 to the following requirements:

9 (1) Except as provided in paragraph (2), the commission
10 shall authorize the disbursement of voucher funds to
11 qualified candidates no less frequently than twice per
12 month; and

13 (2) Thirty days prior to a primary or general election,
14 the commission shall authorize the disbursement of
15 voucher funds to qualified candidates no less than
16 once per week.

17 (g) The comptroller shall disburse all voucher funds as
18 directed by the commission within three business days.

19 **§11-G Use of voucher funds.** Notwithstanding subpart G,
20 voucher funds are subject to the following restrictions:



- 1 (1) A qualified candidate may use voucher funds only for
2 the qualified candidate's direct campaign costs; and
- 3 (2) A qualified candidate may not use voucher funds to pay
4 any of the following:
- 5 (A) A business in which the candidate or the
6 candidate's immediate family member has a ten per
7 cent or greater ownership interest;
- 8 (B) A penalty or fine;
- 9 (C) An amount in excess of fair market value for any
10 good or service received;
- 11 (D) The legal defense of an alleged violation of this
12 part;
- 13 (E) A payment to any person to collect vouchers on
14 behalf of a candidate, except for compensation
15 paid to a regularly employed member of the
16 candidate's campaign staff; and
- 17 (F) Any payment for personal expenses, as defined by
18 commission rules;
- 19 (7) Any payment for the purposes described in section
20 11-381(a) (2) through (8) or section 11-381(b); and
- 21 (8) Any additional use as determined by the commission.



1 **§11-H Candidate certification.** (a) A candidate may apply
2 to the commission for certification as a qualified candidate if
3 the candidate satisfies the following conditions:

4 (1) The candidate is eligible to run for an eligible
5 office;

6 (2) The candidate has established a candidate committee;

7 (3) The candidate certifies to the commission that the
8 candidate's candidate committee has filed all reports
9 required by this part and that the reports are
10 complete and accurate, and the candidate agrees to
11 file all future reports required by this part;

12 (4) The candidate has complied with the requirements of
13 this part;

14 (5) The candidate agrees to comply with the following
15 requirements for the current election period:

16 (A) Participate in no fewer than two nonpartisan
17 debates prior to the primary election and no
18 fewer than two nonpartisan debates prior to the
19 general election; provided that the commission
20 may modify or waive this requirement for
21 qualified candidates who are unopposed;



1 (B) Solicit or accept contributions only from
2 individuals and as specified in subsection (d);
3 and

4 (C) Spend voucher funds only as permitted under
5 section 11-G;

6 (6) Spend no more than \$5,000 in personal funds for the
7 candidate's direct campaign costs during the election
8 period; and

9 (7) The candidate has complied with paragraphs (1) to (6)
10 for the entirety of the election period prior to
11 submitting the application for certification as a
12 qualified candidate.

13 (b) The commission shall certify a candidate as a
14 qualified candidate if the candidate applies as required under
15 subsection (a) and has received no fewer than the number of
16 qualifying contributions required for the eligible office, as
17 follows:

18 (1) Governor: \$6,250;

19 (2) Lieutenant governor: \$3,000;

20 (3) State senator: \$250;

21 (4) State representative: \$125; and



1 (5) Office of Hawaiian affairs: \$100.

2 (c) A person may not apply for certification under
3 subsection (a) after the last day on which the person may submit
4 the person's nomination papers under section 12-6.

5 (d) A qualified candidate may not solicit or accept
6 aggregate contributions from an individual in an election period
7 that exceed an amount equal to the maximum amount for the
8 eligible office, as follows:

9 (1) Governor: \$3,000;

10 (2) Lieutenant governor: \$3,000;

11 (3) State senator: \$2,000;

12 (4) State representative: \$2,000; and

13 (5) Office of Hawaiian affairs: \$3,000.

14 (e) A qualified candidate may solicit or accept a voucher
15 from an eligible resident who has made aggregate contributions
16 to the qualified candidate that are less than or equal to the
17 amounts under subsection (d).

18 (f) The commission shall revoke a qualified candidate's
19 certification if the qualified candidate:

20 (1) Withdraws from the election;

21 (2) Fails to advance to the general election;



1 (3) Materially violates the requirements for certification
2 as a qualified candidate under subsection (a); or

3 (4) Materially violates the requirements of this subpart
4 or this part as determined by the commission in a
5 proceeding under subpart I.

6 (g) The commission shall provide a written determination
7 to a qualified candidate whose certification is revoked under
8 subsection (f) that includes:

9 (1) The specific reason that is the basis for revoking the
10 certification; and

11 (2) The specific facts found by the commission that form
12 the basis for revoking the certification.

13 (h) A person whose certification is revoked shall be
14 entitled to judicial review of the commission's written
15 determination as provided under section 91-14.

16 (i) A qualified candidate shall return to the commission
17 for deposit into the fund all remaining voucher funds the
18 candidate received, after accounting for campaign debts and
19 expenditures, no later six months after any of the following
20 occur:



- 1 (1) The commission revokes the qualified candidate's
- 2 certification under subsection (f);
- 3 (2) The qualified candidate dies; or
- 4 (3) The qualified candidate wins the general election.

5 **§11-I Democracy dollars program fund; deposit of moneys.**

6 The following moneys shall be deposited into the democracy
7 dollars fund:

- 8 (1) Appropriations made by the legislature for the
- 9 purposes of this subpart;
- 10 (2) Voucher funds returned by a qualifying candidate under
- 11 sections 11-H and 11-J;
- 12 (3) Fines levied by the commission for violations of this
- 13 subpart; and
- 14 (4) Voluntary donations made for the purposes of this
- 15 subpart.

16 **§11-J Program violations.** In addition to any other
17 penalties as provided for under this part, the commission may
18 require a qualified candidate to return to the commission for
19 deposit in the democracy dollars fund an amount equal to all
20 voucher funds received by the candidate if the candidate's
21 certification is revoked under section 11-H(f) (3) or (4).



1 (b) A person who knowingly and willfully violates a
2 requirements of this subpart shall be subject to an
3 administrative fine not to exceed the greater of \$10,000 or the
4 amount of the violation.

5 (c) A person who knowingly and willfully makes a false
6 statement or omits a material fact to the commission shall be
7 subject to an administrative fine not to exceed the greater of
8 \$10,000 or the amount of the violation.

9 (d) A person who knowingly and willfully does or attempts
10 to do any of the following shall be guilty of a misdemeanor and
11 shall be subject to an administrative fine of no more than
12 \$1,000:

13 (1) Purchases, sells, or transfers a voucher for
14 consideration;

15 (2) Obtains or controls a voucher with intent to deprive
16 the eligible resident to whom the voucher was issued
17 of the use of the voucher;

18 (3) Transfers a voucher obtained or controlled as provided
19 under paragraph (2);

20 (4) Alters or assigns a voucher that was distributed to
21 someone other than that person; or



1 (5) Creates and distributes a voucher with the intent that
2 a person perceives the voucher as authentic."

3 SECTION 3. Section 11-421, Hawaii Revised Statutes, is
4 amended by amending subsection (b) to read as follows:

5 "(b) The fund shall consist of:

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

9 (2) Any general fund appropriations; [~~and~~]

10 (3) All moneys designated for deposit in the subaccount
11 for the democracy dollars program pursuant to section
12 11-I; and

13 [~~(3)~~] (4) Other moneys collected pursuant to this part.

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

18 SECTION 4. If any provision of this Act, or the
19 application thereof to any person or circumstance, is held
20 invalid, the invalidity does not affect other provisions or
21 applications of the Act that can be given effect without the



1 invalid provision or application, and to this end the provisions
2 of this Act are severable.

3 SECTION 5. In codifying the new sections added by section
4 2 of this Act, the revisor of statutes shall substitute
5 appropriate section numbers for the letters used in designating
6 the new sections in this Act.

7 SECTION 6. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 7. This Act shall take effect on July 1, 2025.

10

INTRODUCED BY: *Debra A. Selatti*

JAN 17 2025



H.B. NO. 709

Report Title:

Elections; Campaign Spending Commission; Democracy Dollars Program; Establishment

Description:

Establishes a Democracy Dollars Program to be administered by the Campaign Spending Commission to provide vouchers to eligible residents for the purpose of making contributions to certain candidates, beginning with the 2028 elections.

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

