

JAN 23 2025

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## A BILL FOR AN ACT

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RELATING TO CAMPAIGN FINANCE.

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

1       SECTION 1. Section 11-381, Hawaii Revised Statutes, is  
2 amended to read as follows:

3       "**§11-381 Campaign funds only used for certain purposes.**

4       (a) Campaign funds may be used by a candidate, treasurer, or  
5 candidate committee:

6       (1) For any purpose directly related:

7               (A) In the case of the candidate, to the candidate's  
8               own campaign; or

9               (B) In the case of a candidate committee or treasurer  
10              of a candidate committee, to the campaign of the  
11              candidate, question, or issue with which they are  
12              directly associated;

13       (2) To purchase or lease consumer goods, vehicles,  
14       equipment, and services that provide a mixed benefit  
15       to the candidate. The candidate, however, shall  
16       reimburse the candidate's candidate committee for the



1 candidate's personal use of these items unless the  
2 personal use is de minimis;

3 (3) To make donations to any community service,  
4 educational, youth, recreational, charitable,  
5 scientific, or literary organization; provided that in  
6 any election period, the total amount of all donations  
7 shall be no more than twice the maximum amount that  
8 one person may contribute to that candidate pursuant  
9 to section 11-357; provided further that no donations  
10 shall be made from the date the candidate files  
11 nomination papers to the date of the general election  
12 unless the candidate is:

13 (A) Declared to be duly and legally elected to the  
14 office for which the person is a candidate  
15 pursuant to section 12-41;

16 (B) Deemed and declared to be duly and legally  
17 elected to the office for which the person is a  
18 candidate pursuant to section 12-42; or

19 (C) Unsuccessful in the primary or special primary  
20 election;



1           (4) To make donations to any public school or public  
2           library; provided that in any election period, the  
3           total amount of all contributions shall be no more  
4           than twice the maximum amount that one person may  
5           contribute to that candidate pursuant to section 11-  
6           357; provided further that any donation under this  
7           paragraph shall not be aggregated with or imputed  
8           toward any limitation on donations pursuant to  
9           paragraph (3);

10          (5) To award scholarships to full-time students attending  
11          an institution of higher education or a vocational  
12          education school in a program leading to a degree,  
13          certificate, or other recognized educational  
14          credential; provided that in any election period, the  
15          total amount of all scholarships awarded shall be no  
16          more than twice the maximum amount that one person may  
17          contribute to that candidate pursuant to section 11-  
18          357; provided further that no awards shall be made  
19          from the filing deadline for nomination papers to the  
20          date of the general election unless the candidate is:



(A) Declared to be duly and legally elected to the office for which the person is a candidate pursuant to section 12-41;

(B) Deemed and declared to be duly and legally elected to the office for which the person is a candidate pursuant to section 12-42; or

(C) Unsuccessful in the primary or special primary election;

(6) To purchase not more than two tickets for each event held by another candidate or committee, regardless of whether the event constitutes a fundraiser as defined in section 11-342;

(7) To make contributions to the candidate's party so long as the contributions are not earmarked for another candidate; or

(8) To pay for ordinary and necessary expenses incurred in connection with the candidate's duties as a holder of an office, including expenses incurred for memberships in civic or community groups.



(b) Campaign funds may be used for the candidate's next subsequent election upon registration for the election pursuant to section 11-321."

SECTION 2. Section 11-384, Hawaii Revised Statutes, is amended to read as follows:

**"[+]§11-384[+] Disposition of campaign funds; termination of registration.** (a) The candidate committee and candidate who receives contributions for an election but fails to file nomination papers for that election shall return residual funds to the contributors no later than ninety days after the date on which nominations for that election shall be filed. Funds not returned to contributors by the candidate committee or candidate shall escheat to the campaign funds escheatment subaccount within the Hawaii election campaign fund.

(b) The candidate committee and candidate who withdraws or ceases to be a candidate for the election because of death, disqualification, or other reasons shall return residual funds to the contributors no later than ninety days after the candidate ceases to be a candidate~~[-]~~ or thirty days after the date of the election for which the campaign funds were received, whichever is earlier. Funds not returned to contributors by the



1 candidate committee or candidate shall escheat to the campaign  
2 funds escheatment subaccount within the Hawaii election campaign  
3 fund.

4 (c) A candidate who is elected to office, including a  
5 candidate subject to term limits and a candidate who resigned  
6 before the end of the term of office and the candidate committee  
7 of such a candidate, [~~may~~] shall use campaign funds as provided  
8 in section 11-381 or return funds to contributors [~~until four~~  
9 ~~years from~~] no later than thirty days plus the length of time  
10 equal to the length of the term of office, after the date [~~of~~  
11 ~~the election for which~~] the campaign funds were received. Funds  
12 that are not used or returned to contributors by the candidate  
13 shall escheat to the campaign funds escheatment subaccount  
14 within the Hawaii election campaign fund.

15 (d) A candidate who loses an election and the candidate  
16 committee of such a candidate [~~may~~] shall use campaign funds as  
17 provided in section 11-381 or return funds to contributors  
18 [~~until one year from~~] no later than thirty days plus the length  
19 of time equal to the length of the term of office, after the  
20 date [~~of the election for which~~] the campaign funds were  
21 received. Funds that are not used or returned to contributors



1 by the candidate committee or candidate shall escheat to the  
2 campaign funds escheatment subaccount within the Hawaii election  
3 campaign fund.

4 (e) A candidate committee that disposes of campaign funds  
5 pursuant to this section shall terminate its registration with  
6 the commission as provided in section 11-326.

7 (f) Notwithstanding any of the foregoing, campaign funds  
8 may be used for the candidate's next subsequent election as  
9 provided in section 11-381 upon registration for the election  
10 pursuant to section 11-321.

11 (g) The commission shall adopt rules pursuant to chapter  
12 91 to carry out the purposes of this section."

13 SECTION 3. Section 11-421, Hawaii Revised Statutes, is  
14 amended to read as follows:

15 "[+]§11-421[+] **Hawaii election campaign fund; creation.**

16 (a) The Hawaii election campaign fund is created as a trust  
17 fund within the state treasury.

18 (b) The fund shall consist of:

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



1 (2) Any general fund appropriations; and

2 (3) Other moneys collected pursuant to this part.

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

7 (d) There shall be established within the Hawaii election  
8 campaign fund a campaign funds escheatment subaccount.

9 The commission shall make reasonable efforts to return  
10 moneys in the campaign funds escheatment subaccount to the  
11 contributors of the candidate committees or candidates from  
12 which the moneys have escheated. The returns shall be made to  
13 contributors in reverse chronological order, excluding  
14 contributors who have received a return by the candidate  
15 committee or candidate.

16 Any amount remaining shall lapse to the Hawaii election  
17 campaign fund six months after the moneys have escheated to the  
18 subaccount."

19 SECTION 4. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.

21 SECTION 5. This Act shall take effect upon its approval.





S.B. NO. 1593

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INTRODUCED BY: 



# S.B. NO. 1593

**Report Title:**

Elections; Campaign Finance; Escheatment; Campaign Spending Commission

**Description:**

Repeals the authority for campaign funds to carry over to subsequent elections. Requires, at the latest, for campaign funds not expended to escheat to the State after a certain period. Requires the Campaign Spending Commission to make reasonable efforts to return escheated funds to contributors with any remaining balance to fund partially publicly financed campaigns.

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