

ACT 10

H.B. NO. 6-S

A Bill for an Act Relating to Elections.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to amend the campaign spending laws to encourage citizen participation in the electoral process, prevent the actuality or appearance of corruption, equalize the resources of candidates, and gather data to detect violations of the campaign spending law's contribution limitations.

SECTION 2. Chapter 11, Hawaii Revised Statutes, is amended as follows:

1. By adding four new sections to be appropriately designated and to read:

“§11- Commissioners; political activities. (a) A member of the commission or its staff shall not participate in any political campaign during the member’s or employee’s term of office or employment including making a financial contribution to a candidate or political committee.

(b) Each commissioner shall retain the right to:

- (1) Register and vote as the commissioner chooses in any election;
- (2) Participate in the nonpolitical activities of a civic, community, social, labor, or professional organization, or of a similar organization;
- (3) Be a member of a political party or other noncandidate political organization and participate in its activities to the extent consistent with law; and
- (4) Otherwise participate fully in public affairs, except as prohibited by law, in a manner which does not materially compromise the commissioner’s efficiency or integrity as a commissioner or the neutrality, efficiency, or integrity of the commission.

(c) A commissioner may request an advisory opinion from the state ethics commission to determine whether a particular activity constitutes or would constitute a violation of the code of ethics or this section.

§11- Campaign contributions by state contractors. (a) Any person making a contribution to any candidate, committee, or political party, and who has received, in any calendar year, \$50,000 or more through contracts from the State, or county shall register and report that fact to the commission within thirty days of the date of the contribution or within thirty days of the date of the contract, whichever occurs later; provided that this section shall not apply to a person who has received \$50,000 or more through a grant, subsidy, or purchase of service agreement under chapter 42D.

(b) The commission shall prescribe forms and procedures for the reporting required in subsection (a) which, at a minimum, shall require the following information:

- (1) The name and address of the person making the contribution;
- (2) The name of the candidate, committee, or political party receiving the contribution;
- (3) The amount of money received from the State or county, the dates, and information identifying each contract and describing the service performed or goods provided; and
- (4) If an entity is making the contribution, the names and business addresses of the principals, including officers and directors.

(c) The commission shall maintain a list of such reports for public inspection both at the commission’s office and through the state FYI electronic bulletin board.

§11- Campaign contributions; loans. (a) Any loan to a candidate in excess of \$100 shall be documented and disclosed as to lender and purpose of the loan in the subsequent report to the commission. Failure to document the loan or to disclose the loan to the commission shall cause the loan to be treated as a campaign contribution, subject to all relevant provisions of this chapter.

(b) Any loan by a financial institution regulated by the State or a federally chartered depository institution and made in accordance with applicable law in the ordinary course of business, shall not be deemed a contribution and not subject to the contribution limits provided under section 11-204.

§11- Organizational report, noncandidate committee. (a) The organizational report shall include:

- (1) The full name of the committee, which may not include the name of a candidate;
- (2) The complete mailing address and telephone number of the committee;
- (3) The date the committee was organized;
- (4) The area, scope, or jurisdiction of the committee;
- (5) An indication as to whether the committee is a political party committee;
- (6) The name and mailing address of a corporation or an organization that provides funds to the committee. If the committee is not sponsored by or connected with a corporation or an organization, the committee must specify the trade, profession, or primary interest of contributors to the committee;
- (7) The full name, mailing address, telephone number, occupation, and principal place of business of the chairperson;
- (8) The full name, mailing address, telephone number, occupation, and principal place of business of the treasurer and any other officers;
- (9) An indication of whether the committee was formed to support or oppose a specific ballot question or questions, or candidate and if so, a brief description of the questions or the name of the candidate;
- (10) The full name, mailing address, telephone number, occupation, and principal place of business of the custodian of the books and accounts if other than the designated officers;
- (11) The full name and address of the depository in which the committee will maintain its campaign account;
- (12) Written acceptance of appointment by the chairperson and treasurer;
- (13) A certification of the statement by the chairperson and the treasurer; and
- (14) The name, address, occupation, and employer of each donor who has contributed an aggregate amount of more than \$100 since the last election and the amount and date of deposit of each such contribution.

(b) The name of the committee designated on the statement of organizations must incorporate the full name of the sponsoring entity, if any. An acronym or abbreviation may be used in other communications if the acronym or abbreviation is commonly known or clearly recognized by the general public.

(c) Any change in information submitted in the organizational report with the exception of subsection (a)(14) shall be reported no later than 4:30 p.m. on the tenth calendar day after the change is brought to the attention of the committee chairperson or treasurer. The accuracy of the information in the organizational report shall be affirmed, on forms provided by the commission, annually by September 1."

2. By amending section 11-191 to read:

“§11-191 Definitions. When used in this subpart:

[(1)] “Advertisement” means:

- [(A)] Any communication, exclusive of bumper stickers or other sundry items which identifies a candidate directly or by implication or which advocates or supports the nomination for election, or election, of the candidate or advocates or supports the candidate’s defeat; and
- [(B)] Any communication, exclusive of bumper stickers or other sundry items which identifies an issue or question which appears or is reasonably certain to appear on the ballot at the next applicable

election, or which advocates or supports the passage or defeat of the question or issue.]

- (1) Any communication, exclusive of bumper stickers or other sundry items, that:
- (A) Identifies a candidate either directly or by direct implication;
 - (B) Advocates or supports the nomination for election of the candidate;
 - (C) Advocates or supports the election of the candidate; or
 - (D) Advocates or supports the candidate's defeat.
- (2) Any communication, exclusive of bumper stickers or other sundry items, that:
- (A) Identifies an issue or question that will appear on the ballot at the next applicable election; or
 - (B) Advocates or supports the passage or defeat of the question or issue.

[(2)] "Campaign treasurer" means a person appointed under section 11-198, and, unless expressly indicated otherwise, includes deputy campaign treasurers.

[(3)] "Candidate" means an individual who seeks nomination for election, or seeks election, to office. [An] Until an individual terminates the individual's candidacy with the commission, an individual is a candidate if the individual does any of the following:

- [(A)] (1) Files nomination papers for an office for oneself with the county clerk's office or with the chief election officer's office, whichever is applicable; or
- [(B)] (2) Receives contributions in an aggregate amount of more than \$100[,] or makes or incurs any expenditures of more than \$100 to bring about the individual's nomination for election, or to bring about the individual's election[,] to office]; provided that in no event shall a person be deemed a candidate by reason of the provisions set forth in this subparagraph and subparagraph (C) until January 1 of the year that person runs for election];
- [(C)] (3) Gives [the individual's] consent for any other person to receive contributions or make expenditures to aid the individual's nomination for election, or the individual's election, to office; or
- [(D)] (4) Is certified to be a candidate by the lieutenant governor or county clerk.

[(4)] "Candidate's committee" means a committee as defined in [paragraph (6)] this section which makes an expenditure or accepts a contribution in behalf of a candidate with the candidate's authorization.

[(5)] "Commission" means the campaign spending commission.

"Commissioner" means any person appointed to the campaign spending commission.

[(6)] "Committee" means:

- (A) Any organization or association which, or any individual who, accepts a contribution or makes an expenditure for or against any candidate or individual who files for nomination at a later date and becomes a candidate, or party, with or without the authorization of the candidate, individual, or party, or who accepts a contribution or makes an expenditure for or against any question or issue which appears on the ballot at the next applicable election;
- (B) Any organization or association which, or any individual who, raises or holds money or anything of value for a political purpose, with or without the consent or knowledge of any candidate or

- individual who files for nomination at a later date and becomes a candidate, or any party, and which subsequently contributes the money or anything of value to, or makes expenditures on behalf of, a candidate or individual who files for nomination at a later date and becomes a candidate, or party;]
- (1) Any organization, association, or individual that accepts a contribution or makes an expenditure for or against any:
- (A) Candidate;
- (B) Individual who files for nomination at a later date and becomes a candidate; or
- (C) Party;
with or without the authorization of the candidate, individual, or party. In addition, the term "committee" means any organization, association, or individual who accepts a contribution or makes an expenditure for or against any question or issue appearing on the ballot at the next applicable election;
- (2) Any organization, association, or individual that raises or holds money or anything of value for a political purpose, with or without the consent or knowledge of any:
- (A) Candidate;
- (B) Individual who files for nomination at a later date and becomes a candidate; or
- (C) Party; and
subsequently contributes money or anything of value to, or makes expenditures on behalf of, the candidate, individual, or party;
- [(C)] (3) Notwithstanding any of the foregoing, the term "committee" shall not include any individual making a contribution or expenditure of the individual's own funds or anything of value [which] that the individual originally acquired for the individual's own use and not for the purpose of evading any provision of this subpart;
- [(D)] (4) Any committee as defined in [subparagraph (A) which] paragraph (1) that makes contributions or expenditures in aggregate of more than \$1,000 per election to influence the nomination and election of individuals to public office or the outcome of ballot questions or issues, shall register with the [campaign spending] commission and file reports as required by this chapter; or
- [(E)] (5) Any committee as defined in [subparagraph (A),] paragraph (1), organized within six months of an election, whose sole electoral activity consists of direct contributions or expenditures in aggregate of more than \$1,000 per election [of individuals] to [public office or] influence the outcome of an election or ballot questions or issues, shall register with the commission prior to making any contributions or expenditures in aggregate of more than \$1,000 and shall submit a statement of contributions or expenditures to the [campaign spending] commission in lieu of filing reports as required by this chapter.
- [(7)] "Contribution" means:
- [(A)] (1) A gift, subscription, deposit of money or anything of value, or cancellation of a debt or legal obligation and includes the purchase of tickets to fundraisers for the purpose of:
- (i) (A) Influencing the nomination for election, or election, of any person to office; [or
- (ii) (B) Influencing the outcome of any question or issue which appears or is reasonably certain to appear on the ballot at the next applicable election above; or

[(iii)] (C) Use by any party for the purposes set out in [clause (i) or (ii)] subparagraph (A) or (B) above;

[(B)] (2) The payment, by any person other than a candidate or committee, of compensation for the personal services of another person which are rendered to the candidate or committee without charge or at an unreasonably low charge for the purposes set out in [clause (i), (ii), or (iii)] in subparagraph (A) above; or paragraph (1)(A), (1)(B), or (1)(C);

[(C)] (3) A contract, promise, or agreement to make a contribution; provided that notwithstanding [this subparagraph and subparagraphs (A) and (B),] this paragraph and paragraphs (1) and (2), the term shall not include services or portions thereof voluntarily provided without reasonable compensation by individuals to or in behalf of a candidate or committee; or

[(D)] (4) Notwithstanding [subparagraphs (A), (B), and (C),] paragraphs (1), (2), and (3), a candidate's expenditure of the candidate's own funds or the making of a loan or advance in the pursuit of the candidate's campaign shall not be a contribution for the purpose of this subpart but shall nevertheless be reportable as a campaign receipt.

[(8)] "Earmarked funds" means contributions received by a committee or party on the condition that the funds be contributed to or expended on certain candidates, issues, or questions.

[(9)] "Election" means any election for office or for determining a question or issue provided by law or ordinance.

"Election period" means the two-year period between general election days if a candidate is seeking nomination or election to a two-year office and the four-year time period between general election days if a candidate is seeking nomination or election to a four-year office.

[(10)] "Expenditure" means:

[(A)] (1) Any purchase or transfer of money or anything of value, or promise or agreement to purchase or transfer money or anything of value, or payment incurred or made, or the use or consumption of a nonmonetary contribution for the purpose of:

[(i)] (A) Influencing the nomination for election, or election, of any person seeking nomination for election, or election, to office whether or not the person has filed the person's nomination paper;

[(ii)] (B) Influencing the outcome of any question or issue [which appears or is reasonably certain to appear] that has been certified to appear on the ballot at the next applicable election; or

[(iii)] (C) Use by any party or committee for the purposes set out in [clause (i) or (ii);] subparagraph (A) or (B);

[(B)] (2) The payment, by any person other than a candidate or committee, of compensation for the personal services of another person [which] that are rendered to the candidate or committee for any of the purposes mentioned in [subparagraph (A);] paragraph (1); or

[(C)] (3) The expenditure by a candidate of the candidate's own funds for the purposes set out in [subparagraph (A).] paragraph (1).

(4) The term does not include volunteer personal services and voter registration efforts that are not partisan.

[(11)] "House bulletin" means a communication sponsored by any person in the regular course of publication for limited distribution primarily to its employees or members.

[(12)] "Immediate family" means a candidate's spouse, and any child, parent, grandparent, brother, or sister of the candidate, and the spouses of such persons.

[(13)] "Individual" means a natural person.

[(14)] "Loan" means an advance of money, goods, or services, [or a guarantee, endorsement, or any other form of security,] with [an absolute] a promise to repay[.] in full or in part within a specified period of time.

[(15)] "Matching payment period" means:

[(A)] (1) For a primary election, from January 1 of the year of a general election through the day of the primary election, or nine months prior to a [special primary or] special election through the day of a [special primary or] special election; and

[(B)] (2) For a general election, from the day after a primary [or special primary] election through the day of the general [or special general] election.

[(16)] "Newspaper" means a publication of general distribution in the State issued once or more per month which is written and published in the State.

"Noncandidate committee" means a committee as defined in this section and does not include a candidate's committee.

[(17)] "Office" means any elective public or constitutional office excluding county neighborhood board and federal elective offices.

[(18)] "Person" means an individual, partnership, committee, association, corporation, or labor union and its auxiliary committees.

[(19)] "Political party" "Party" means any political party which satisfies the requirements of section 11-61.

[(20)] "Private contribution" means a monetary contribution other than from a candidate's own funds or from the Hawaii election campaign fund.

[(21)] "Qualifying campaign contribution" means a monetary contribution of \$100 or less, and not more than \$100 of a person's total aggregate monetary contribution. Qualifying contributions do not include loans or in-kind contributions.

"Special election" means any election other than a primary or general election.

"Terminate candidacy" means the date on which a candidate has no surplus or deficit and has filed a notice of termination with the campaign spending commission on forms prescribed by the commission."

3. By amending section 11-192 to read:

"§11-192 Campaign spending commission. There is established a campaign spending commission[, consisting of five members appointed by the governor as follows:

The judicial council shall select a panel of ten persons, consisting of five persons from the membership of each of the two political parties for which the greatest number of voters cast party ballots in the last preceding primary election. From this panel the governor shall appoint two members from each political party and a chairman]. The commission shall consist of five members of the general public, appointed by the governor from a list of ten nominees submitted by the judicial council. The judicial council may solicit applications for the list of nominees through community organizations and advertisements in any newspaper of general circulation. Any vacancies in the commission shall be filled by the governor with a member from the [panel] list of nominees or by reappointment of a [member]

commissioner whose term has expired, subject to the limit on length of service imposed by section 26-34[; provided the replacement member is from the same political party as the member being replaced; and provided further that the party is then one of the two political parties as determined above; otherwise, the replacement member shall be from one of the parties not represented on the commission].

The judicial council shall meet and expeditiously select additional persons for the [panel] list of nominees whenever the number of the eligible [panel members] nominees falls below five[, or whenever a political party, being one of the two parties for which the greatest number of voters cast party ballots in the last primary election, is not represented. In either event, the judicial council shall select additional panel members so that there will be five from each of the two parties. A person shall no longer remain eligible to be on the panel when the person is not from one of the two parties for which the greater number of voters cast party ballots in the last preceding primary election. The requirement of being from the same party is not applicable to the replacement chairman].

Notwithstanding section 26-34, these appointments shall not be subject to senatorial confirmation. The term of the [members] commissioners shall be four years, except that the terms of the initial [members] commissioners shall be two years for two [members,] commissioners, three years for two other [members,] commissioners and four years for the chairman, as determined by the governor.

The [members of the commission] commissioners shall serve without compensation but they shall be reimbursed for reasonable expenses, including travel expenses, incurred in the discharge of their duties. For [administrative] special purposes, the commission shall temporarily be [under] administratively attached to the office of the lieutenant governor[.] until June 30, 2003.”

4. By amending section 11-193 to read:

“**§11-193 Duties of the [lieutenant governor;] commission.** (a) The [principal duty of the lieutenant governor as the chief election officer is to regulate the election process. Under] duties of the commission under this subpart [the lieutenant governor’s duties] are:

- (1) To develop and adopt reporting forms required by this subpart;
- (2) To adopt and publish a manual for all candidates and committees, describing the requirements of this subpart, including uniform and simple methods of recordkeeping;
- (3) To preserve all reports required by this subpart for at least [five] ten years from the date of receipt;
- (4) To permit the inspection, copying, or duplicating of any report required by this subpart pursuant to rules adopted by the commission; provided that no information or copies of the reports shall be sold or used by any person for the purpose of soliciting contributions or for any commercial purpose[.];

[(b) The commission’s principal duty is to supervise campaign contributions and expenditures. Under this subpart its duties are:

- (1)] (5) To ascertain whether any candidate, committee, or party has failed to file a report required by this subpart or has filed a substantially defective or deficient report, and to notify such persons by first class mail that their failure to file or filing of a substantially defective or deficient report must be corrected and explained. The correction or explanation shall be submitted in writing to the commission not later than 4:30 p.m. on the fifth day after notification of the failure to file or deficiency has been mailed to such persons. The commission shall publish in the newspaper the names of all candidates, committees, and

parties who have failed to file a report or to correct their deficiency within the time allowed by the commission. Failure to file or correct a report when due, as required by this subpart shall result in a penalty of \$50. Failure to respond after a newspaper notification shall result in an additional penalty of \$50 for each day a report remains overdue or uncorrected. All penalties collected under this section shall be deposited in the Hawaii election campaign fund;

- [(2)] (6) To hold public hearings;
- [(3)] (7) To investigate and hold hearings for receiving evidence of any violations;
- [(4)] (8) To adopt a code of fair campaign practices as a part of its rules [and regulations];
- [(5)] (9) To establish rules pursuant to chapter 91;
- [(6)] (10) To request the initiation of prosecution for the violation of this subpart pursuant to section 11-229;
- [(7)] (11) To administer and monitor the distribution of public funds under this subpart;
- [(8)] (12) To suggest accounting methods for candidates, parties, and committees, as the commission may deem advisable, in connection with reports and records required by this subpart; [and
- (9) (13) To employ or contract, without regard to chapters 76 and 77 and section 103D-209(b), and, at pleasure, to dismiss persons it finds necessary for the performance of its functions, including a full-time executive director, and to fix their compensation[.];
- (14) To do random audits, field investigations, as necessary;
- (15) To file for injunctive relief when indicated; and
- (16) To censure any candidate who fails to comply with the code of fair campaign practices.

[(c)] (b) In performing the functions and duties under this subpart, the commission may subpoena witnesses, examine them under oath, and require the production of books, papers, documents, or objects, to the commission office at any place in the State whether or not the subpoena is in connection with any hearing; provided that the person or documents subpoenaed shall be relevant to a matter under study or investigation by the commission. [Such] The books, papers, documents, or objects may be retained by the commission for a reasonable period of time for the purpose of examination, audit, copying, testing, and photographing. The subpoena power shall be exercised by the [chairman] chairperson of the commission, or such other person as the [chairman] chairperson may designate. Upon application of the commission, obedience to the subpoena shall be enforced by the circuit court in the county where the person subpoenaed resides or is found in the same manner as a subpoena issued by a circuit court.”

5. By amending section 11-195 to read:

“**§11-195 Filing of reports, generally.** (a) All reports required to be filed under this subpart by a candidate or those committees directly associated with the candidate’s candidacy shall be certified by the candidate. Reports required to be filed under this subpart by a party or committee which supports more than one candidate shall be certified by a person authorized to sign such reports. All reports required to be filed under this subpart shall be open for public inspection in the office of the commission.

(b) The original and one copy of all reports required under this subpart shall be filed at the office of the commission. In the case of counties having less than [200,000] two hundred thousand voters, the filing shall be accomplished by filing an

original and two copies of the required report with either the commission or the clerk of the county in which the candidate resides. The clerk shall then immediately mail the original and one copy of the report to the commission by certified mail.

(c) The commission or county clerk shall give each person filing a report a receipt stating the type of report filed and the date and time of filing.

(d) All reports filed with the county clerk's office shall be preserved by that office for [five] ten years.

(e) All reports required to be filed under this subpart shall at all times be available to the lieutenant governor.

(f) For purposes of this subpart, whenever a report is required to be filed with the commission, "filed" means received in the office of the commission or county clerk, whichever is applicable, by the date and time specified for the filing of such report[.]; except that a candidate or the committee of a candidate who is seeking election to the office of:

- (1) Governor;
- (2) Lieutenant governor;
- (3) Mayor; or
- (4) Prosecuting attorney;

shall file by electronic means in the manner prescribed by the commission."

6. By amending section 11-196¹ to read:

"§11-196 Organizational report[.], candidate's committee. (a) The organizational report shall include:

- (1) The name and address of the candidate or individual, committee, or party filing the report;
- (2) The name, address, office sought, district, and party affiliation, of each candidate or individual whom the committee or party is supporting;
- (3) The names and addresses of the campaign treasurer and deputies[;] together with the treasurer's written acceptance of appointment;
- (4) The names and addresses of the campaign [chairman] chairperson and deputy campaign [chairman;] chairperson together with the campaign chairperson's written acceptance of appointment;
- (5) A list of all banks, safety deposit boxes, or other depositories used with each applicable account number;
- (6) The amount, name, and address, of each donor who has contributed an aggregate amount of more than \$100 since the last election applicable to the office being sought or to the ballot issue or question and the amount and date of deposit of each such contribution; and
- (7) In the case of a report by a committee or party supporting or opposing a ballot question or issue, all of the information described in paragraphs (2) to (6) and a description of the question or issue."

7. By amending section 11-198 to read:

"§11-198 Campaign treasurer. (a) Every committee, party, and candidate shall appoint a campaign treasurer on or before the day for filing an organizational report. Up to five deputy campaign treasurers may be appointed. A candidate may appoint [himself] oneself as campaign treasurer.

- (b) A campaign treasurer may be removed at any time. In case of death, resignation, or removal of the campaign treasurer, the committee, party, or candidate shall promptly appoint a successor. During the period the office of campaign treasurer is vacant, the candidate, committee [chair-

man,] chairperson, or party [chairman,] chairperson, whichever is applicable, shall serve as campaign treasurer.

(c) Only the campaign treasurer and deputy campaign treasurers shall be authorized to receive contributions or make expenditures on behalf of the appointing candidate, committee, or party [appointing him].

(d) A candidate may appoint on a fee or voluntary basis a person other than an officer or treasurer to specifically prepare and file reports with the campaign spending commission."

8. By amending subsection (a) of section 11-200 to read:

"(a) A candidate, campaign treasurer, or candidate's committee shall not receive any contributions or receive or make any transfer of money or anything of value:

- (1) For any purpose other than that directly related:
 - (A) In the case of the candidate, to the candidate's own campaign; or
 - (B) In the case of a campaign treasurer or candidate's committee, to the campaign of the candidate, question, or issue with which they are directly associated; or
- (2) To support the campaigns of candidates other than the candidate, for whom the funds were collected or with whom the campaign treasurer or candidate's committee is directly associated; or
- (3) To campaign against any other candidate not directly opposing the candidate for whom the funds were collected or with whom the campaign treasurer or candidate's committee is directly associated.

Any provision of law to the contrary notwithstanding, a candidate, campaign treasurer, or candidate's committee, as a contribution, may purchase from its campaign fund not more than two tickets for each [fundraiser as defined in section 11-203.] event held by another candidate, committee, or party[.] whether or not the event constitutes a fundraiser as defined in section 11-203."

9. By amending section 11-203 to read:

"§11-203 Fundraiser and fundraising activities. (a) As used in this [subpart,] section, "fundraiser" means any function held for the benefit of a person [which] that is intended or designed, directly or indirectly, to raise funds for political purposes for which the [total] price [of] or suggested contribution for attending the function is more than \$25 per person.

(b) There shall be no more than one fundraiser held for a person prior to a general or special election in which that person is either elected or defeated.

Within six months after a general[, special general,] or special election, however, a candidate or committee directly associated with a candidate who has a deficit may hold an additional fundraiser.

(c) No fundraiser or fundraising activity shall be held unless a notice of intent to hold the function is filed by the person in charge of the function with the commission prior to the date of the function setting forth the name and address of the person in charge, the price per person, the date, hour, and place of the affair and the method thereof.

(d) Fundraisers sponsored by a candidate for a statewide office are exempt from the \$25 limit of subsection (a) and the restrictions of subsection (b), and fundraisers sponsored by a party for a political purpose for the general benefit of the party are exempt from the restrictions of subsection (b).

(e) The following expenses incident to a fundraiser and to all other political fundraising activities held for the benefit of a candidate [for which there is a charge

for attending or participating in the fundraiser or fundraising activity] shall not be considered expenditures within the limitations set by section 11-209:

- (1) The cost of food and beverages consumed at the function;
- (2) Rent and utilities for the premises where the function is held;
- (3) The amount paid for guest speakers and entertainment;
- (4) Printing and postage related to a function; and
- (5) All other direct costs incurred in solicitation of the fundraiser, or fundraising activity.’

10. By amending section 11-204 to read:

“§11-204 Campaign contributions; limits as to persons. (a) No person or any other entity shall make contributions to [a candidate or candidate’s committee in an aggregate amount greater than \$2,000 in any primary, special primary, special, or general election.]:

- (1) A candidate seeking nomination or election to a two-year office or to the candidate’s committee in an aggregate amount greater than \$2,000 during an election period; and
- (2) A candidate seeking nomination or election to a four-year statewide office or to the candidate’s committee in an aggregate amount greater than \$6,000 during an election period; and
- (3) A candidate seeking nomination or election to a four-year nonstatewide office or to the candidate’s committee in an aggregate amount greater than \$4,000 during an election period.

These limits shall not apply to a loan made to a candidate by a financial institution in the ordinary course of business.

(b) No person or any other entity shall make contributions to a noncandidate committee in an aggregate amount greater than \$1,000 in an election.

[(b)] (c) A candidate [or the candidate’s immediate family] in making a contribution to the candidate’s campaign shall be exempt from the above limitation, but shall be limited in the aggregate to \$50,000 in any election [year.] period. The aggregate amount of \$50,000 shall include any loans made for campaign purposes to the candidate from the candidate’s immediate family.

[(c)] (d) A contribution by a dependent minor shall be reported in the name of the minor but shall be counted against the contribution of the minor’s parent or guardian.

[(d)] (e) Any candidate or candidate’s committee who [knowingly] receives in the aggregate more than [\$2,000] the applicable limits set forth in this section in any primary, [special primary,] initial special, special, or general election from a person, shall be required to [return] transfer an amount equal to any excess over [\$2,000 to such person. If the contributor cannot be found, the excess over the contribution limit shall be deposited with the Hawaii election campaign fund.] the limits established in this section to the Hawaii election campaign fund within thirty days of receipt by a candidate or candidate’s committee, and in any event, no later than thirty days upon the receipt by a candidate or candidate’s committee of notification from the commission. A candidate or candidate’s committee who complies with [the provisions of] this subsection prior to the initiation of prosecution shall not be subject to any penalty under section 11-228.

[(e)] (f) All payments made by a person whose contributions or expenditure activity is financed, maintained, or controlled by any corporation, labor organization, association, political party, or any other person or committee, including any parent, subsidiary, branch, division, department, or local unit of the corporation, labor organization, association, political party, or any other person, or by any group of those persons shall be considered to be made by a single person.

[(f)] (g) A contribution made by two or more corporations shall be treated as one person when such corporations:

- (1) Share the majority of members of their boards of directors;
- (2) Share two or more corporate officers;
- (3) Are owned or controlled by the same majority shareholder or shareholders; or
- (4) Are in a parent-subsidary relationship.

[(g)] (h) An individual and any general partnership in which the individual is a partner, or an individual and any corporation in which the individual owns a controlling interest, shall be treated as one person.

[(h)] (i) No committee which supports or opposes a candidate for public office shall have as officers individuals who serve as officers on any other committee which supports or opposes the same candidate. No such committee shall act in concert with, or solicit or make contributions on behalf of, any other committee.

(j) No contributions may be made to a noncandidate committee from a corporation or other organization unless the noncandidate committee has been in existence continuously, as shown on the records of the campaign spending commission, for at least twelve months prior to the next primary election.

(k) No contributions or expenditures shall be made to or on behalf of a candidate or committee by a foreign corporation, including a domestic subsidiary of a foreign corporation, a domestic corporation that is owned by a foreign national, or a local subsidiary where administrative control is retained by the foreign corporation, and in the same manner prohibited under 2 U.S.C. section 441e and 11 CFR 110.4(a) and 110.9(a), as amended. No foreign-owned domestic corporation shall make contributions where:

- (1) Foreign national individuals participate in election-related activities such as decisions concerning the making of contributions or the administration of a political committee; or
- (2) The contribution funds are not domestically-derived.

(l) No person or any other entity shall make contributions to a political party in an aggregate amount greater than \$50,000 in any election year.”

11. By amending subsection (a) of section 11-205 to read:

“(a) No political party shall make contributions to a candidate in any calendar year in an aggregate amount greater than the following [percentages of the expenditure limit] amounts for each respective office:

- (1) For the office of governor—[twenty per cent of the expenditure limit;] \$50,000;
- (2) For the office of lieutenant governor—[twenty per cent of the expenditure limit;] \$40,000;
- (3) For the partisan offices of mayor and prosecuting attorney—[twenty per cent of the expenditure limit;] \$25,000;
- (4) For the offices of state senator and partisan county council member—[thirty per cent of the expenditure limit;] \$20,000; and
- (5) For the office of state representative—[forty per cent of the expenditure limit; and] \$15,000.
- [(6) For the offices of the board of education and all other offices—forty per cent of the expenditure limit.]”

12. By amending subsection (a) of section 11-208 to read:

“(a) Any candidate may voluntarily agree to limit the candidate’s campaign expenditures and those of the candidate’s committee or committees and the candi-

date's party in the candidate's behalf by filing an affidavit with the campaign spending commission[.]; provided that a candidate may withdraw the candidate's affidavit no later than thirty days prior to an election."

13. By amending section 11-209 to read:

“§11-209 Campaign expenditures; limits as to amounts. (a) From January 1 of the year of [a] any primary, [special primary,] special, or general election [through the day of the special or general election], the total expenditures for candidates who voluntarily agree to limit their campaign expenditures[,] for each election, inclusive of all expenditures made or authorized by the candidate alone and all campaign treasurers and committees in the candidate's behalf, shall not exceed the following amounts expressed respectively multiplied by the number of voters in the last preceding general election registered to vote in each respective voting district:

- (1) For the office of governor—[\$1.25;] \$2.50;
- (2) For the office of lieutenant governor—[70 cents;] \$1.40;
- (3) For the office of mayor—[\$1;] \$2.00;
- (4) For the offices of state senator, state representative, county council member, and prosecuting attorney—[70 cents;] \$1.40; and
- (5) For the offices of the board of education and all other offices—[10] 20 cents.

[b) An additional ten per cent increase shall be added to the base amounts allowable under subsection (a) and compounded annually starting in 1979 and each year thereafter.

(c) (b) A candidate or committee who has voluntarily agreed to the expenditure limits in this section and who exceeds [the] their respective expenditure [limitations set for any respective office] limits shall pay the full filing fee and shall notify all opponents, the chief election officer, all contributors, and the commission by telephone and in writing the day the expenditure limits are exceeded. Notification to contributors shall include an announcement that tax deductions based on their contributions are no longer available."

14. By amending section 11-212 to read:

“§11-212 Preliminary reports. (a) Each candidate, authorized person in the case of a party, or campaign treasurer in the case of a committee, shall file a preliminary report with the commission or appropriate county clerk's office, on forms provided by the commission no later than 4:30 p.m. on the twenty-fifth and tenth calendar day prior to each primary and initial special election, and the tenth calendar day prior to [each] a special or general election. [The] Each report shall be certified pursuant to section 11-195 and shall contain the following information which is current through the [fifteenth calendar day prior to the election:] fifth calendar day prior to the filing of a preliminary report:

- (1) The aggregate sum of all contributions and other campaign receipts received;
- (2) The amount and date of deposit of the contribution and the name and address of each donor who contributes an aggregate of more than \$100 during [the] an election period [commencing on January 1 of the year preceding the election in the case of primary, special primary, and special elections] which has not previously been reported ;
- (3) The amount and date of deposit of each contribution and the name, address, employer, and occupation of each donor who contributes an

aggregate of more than \$1,000 during an election period which has not previously been reported;

- [(3)] (4) All expenditures made, incurred, or authorized by or for a candidate, including the name and address of each payee and the amount, date, and purpose of each expenditure; and
- [(4)] (5) A current statement of the balance on hand or deficit.

(b) Notwithstanding this section, a candidate, party, or committee whose aggregate contributions or expenditures for the reporting period total [\$500] \$2,000 or less may file a short form report with the commission or appropriate county clerk's office in lieu of the reports required by this section and section 11-213."

15. By amending subsection (a) of section 11-213 to read:

"(a) Primary and initial special [primary.] election. Each candidate whether or not successful in a primary or initial special [primary] election, authorized person in the case of a party, or campaign treasurer in the case of a committee, shall file a final primary report certified pursuant to section 11-195 with the commission on forms provided by the commission no later than 4:30 p.m. on the [twentieth] thirtieth calendar day after a primary or initial special [primary] election. The report shall include:

- (1) A statement of the total contributions and campaign receipts received;
- (2) The amount and date of deposit of each contribution and the name and address of each donor who contributes an aggregate of more than \$100 [commencing January 1 of the preceding year or commencing on the cut-off date for the last preliminary report filed with the commission;] during an election period which has not previously been reported;
- (3) The amount and date of deposit of each contribution and the name, address, employer, and occupation of each donor who contributes an aggregate of more than \$1,000 during an election period which has not previously been reported;
- [(3)] (4) A statement of all expenditures made, incurred, or authorized by or for a candidate including the name and address of each payee and the amount, date, and purpose of each expenditure; and
- [(4)] (5) The cash balance and a statement of surplus or deficit."

16. By amending subsection (e) of section 11-213 to read:

"(e) Short form reporting. A candidate, party, or committee who receives no contributions, makes no expenditures, or has a deficit or surplus of [\$250] \$1,000 or less in any prescribed reporting period shall nevertheless be required to file preliminary, final, and supplemental reports on the respective dates pursuant to this subpart. Such reports may be filed on a short form as provided by the commission."

17. By amending subsection (d) of section 11-214 to read:

- "(d) This section shall not apply to [elected];
- (1) Elected officials [or candidates];
- (2) Candidates who failed to be nominated or elected[,] and who do not become a candidate for nomination or election to office within four years thereafter; or
- (3) Elected officials who resign their office before the end of their term or who do not file to become a candidate for reelection within four years after their resignation or the end of the term for which they did not seek reelection respectively."

18. By amending section 11-215 to read:

“§11-215 Advertising. (a) To the extent authorized by law, [All] all advertisements authorized by a candidate or a candidate’s committee shall contain the name and address of the candidate, committee, or party[, or person] paying for the advertisement. If an advertisement is not authorized by a candidate or a candidate’s committee, the advertisement shall contain the name and address of the person paying for the advertisement.

(b) In addition to subsection (a) [above], and to the extent authorized by law, no person shall cause or submit any advertisement in support of a candidate or against a candidate’s opponent, to be published, broadcast, televised, or otherwise circulated and distributed except under the following conditions:

(1) The advertisement shall contain a notice in a prominent location that the literature or advertisement is published, broadcast, televised, or circulated with the approval and authority of the candidate, provided that in the event that the literature or advertisement is paid for by a candidate or committee directly associated with a candidate, the notice of approval and authority need not be included; or

(2) The advertisement shall contain a notice in a prominent location that the literature or advertisement is published, broadcast, televised, or circulated without the approval and authority of the candidate.

(3) (c) The penalty for violating this section shall be [not less than] a fine not to exceed \$25 for each [day the] advertisement that lacks the required disclaimer and no more than [\$2,000] \$5,000 aggregate.”

19. By amending section 11-216 to read:

“§11-216 Complaints, investigation, and notice[.]; determination. (a) Complaints of violations of this subpart against any person shall be filed with the commission. The complaint shall be in writing and shall be signed under oath by the complainant. Complaints initiated by the commission shall be in writing and signed by the [chairman.] executive director.

(b) The commission shall give notice of receipt of the complaint together with a copy of the complaint to the person cited and shall afford the person an opportunity to explain or otherwise respond to the complaint[.] at a meeting promptly noticed by the commission and conducted under chapter 92. The commission [may also cause an investigation to be made of the complaint.] shall promptly determine, without regard to chapter 91, to summarily dismiss the complaint, cause further investigation, make a preliminary determination, or refer the complaint to an appropriate prosecuting authority for prosecution under section 11-229.

(c) Upon hearing the response of the person cited, if the person elects to respond to the complaint, and upon completion of any investigation, the commission [shall] may make a prompt preliminary determination as to whether probable cause exists that a violation of this subpart has been committed. In lieu of an administrative determination that a violation of this section has been committed, the commission may refer the complaint to the attorney general or county prosecutor pursuant to section 11-229 at any time it believes that the person cited may have intentionally, knowingly, or recklessly committed a violation.

(d) If the commission makes a preliminary determination that there is probable cause to believe that a violation of this subpart has been committed, its preliminary determination with findings of fact and conclusions of law shall be served upon the person cited by certified mail. The person shall be afforded an opportunity to contest the commission’s preliminary determination of probable cause by making a request for a contested hearing under chapter 91 within twenty

days of receipt of the preliminary determination. Failure to request a contested hearing will result in the commission's preliminary determination being deemed a final determination of violation.

- (1) Any person who appears before the commission shall have all of the rights, privileges, and responsibilities of a witness appearing before the courts of this State. All witnesses summoned before the commission shall receive reimbursements as paid in like circumstances in the courts of this State. Any person whose name is mentioned during a proceeding of the commission and who may be adversely affected thereby, may appear personally before the commission on the person's own behalf or file a written statement for incorporation into the record of the proceeding.
- (2) The commission shall cause a record to be made of all proceedings pursuant to this subsection. [At the conclusion of proceedings concerning an alleged violation, the commission shall immediately begin deliberations on the evidence and then proceed to determine by majority vote of the members whether probable cause exists that a violation has been committed.] Any hearing conducted by the commission to contest the preliminary determination of probable cause shall be conducted pursuant to chapter 91 and any rules adopted by the commission. All contested hearings shall be heard before the commission or a duly designated hearings officer.
- (3) All parties shall be afforded full opportunity to present evidence and argument on all issues involved. The commission or hearings officer, if there is no dispute as to the facts involved in a particular matter, may permit the parties to proceed by memoranda of law in lieu of a hearing unless the procedure would unduly burden any party or is otherwise not conducive to the ends of justice. The commission shall not be bound by strict rules of evidence when conducting a hearing to determine whether a violation of this subpart has occurred, and the degree or quantum of proof required shall be a preponderance of the evidence.
- (4) A hearings officer shall render a recommended decision for the commission's consideration and any party adversely affected by the decision may file written exceptions with the commission within fifteen days after receipt of a copy of the decision by certified mail.
- (5) The commission, as expeditiously as possible, after the close of the hearing, shall issue its final determination of violation together with separate findings of fact and conclusions of law regarding whether a violation of this subpart has been committed.

[(d)] (e) [Until a determination of probable cause is made by the commission, all proceedings, including the filing of the complaint, investigation, and hearing shall be confidential unless the person complained of requests an open hearing.] In the event the commission [determines] makes a final determination that [probable cause] a violation of this subpart does not exist, the complaint shall be dismissed [and the entire record of the proceedings shall be kept confidential at the option of the person complained of.

(e) The commission shall give written notice to the person complained of and to the complainant as to whether probable cause of a violation exists or whether the complaint has been dismissed.

(f) In the event a determination is made that probable cause of a wilful violation exists, the commission shall promptly advise the lieutenant governor of its findings and also the applicable clerk of the state legislature in the case of a state office, or the clerk of the respective county legislative body in the case of a county

office. In the event a determination is made that probable cause of an unintentional violation exists, the commission shall issue an order that may require the violator to:

- (1) Temporarily cease and desist violation of this subpart; or
- (2) File any report, statement, or other information as required by this subpart.

(g) The commission may only initiate prosecution as provided in section 11-229 when it finds that probable cause of a wilful violation exists].

(f) If the commission renders a final determination of violation, its written decision with findings of fact and conclusions of law may also provide, without limitation the following orders:

- (1) The return of any contribution;
- (2) The reimbursement of any unauthorized expenditure;
- (3) The payment of any administrative fine payable to the Hawaii election campaign fund;
- (4) Cease and desist violation of this subpart; or
- (5) File any report, statement, or other information as required by this subpart.

(g) The commission may waive further proceedings because of action the person cited or respondent takes to remedy or correct the alleged violation, including the payment of any administrative fine. The commission shall make the remedial or corrective action taken by the respondent, the commission's decision in light of the action to waive further proceedings, and the commission's justification for its decision, a part of the public record."

20. By amending section 11-217 to read:

"§11-217 Hawaii election campaign fund; creation. The Hawaii election campaign fund is created as a trust fund within the state treasury. The fund shall consist of all moneys collected from persons who have designated a portion of their income tax liability to the fund as provided in section 235-102.5, any general fund revenues appropriated, as well as all other moneys collected pursuant to this subpart. Payment to each candidate from the fund shall be by the comptroller in the manner prescribed in section 11-222."

21. By amending section 11-218 to read:

"§11-218 Candidate funding; amounts available. (a) The maximum amount of public funds available to a candidate for the office of governor, lieutenant governor, or mayor in any election year shall not exceed one-fifth or twenty per cent of the total expenditure limit established for each office above pursuant to section 11-209.

(b) For the office of state senator, state representative, county council member, and prosecuting attorney, [board of education, and all other offices,] the maximum amount of public funds available to a candidate in any election year shall [not exceed \$100 in any election year.] be thirty per cent of the total expenditure limit established for each office listed in this subsection pursuant to section 11-209; provided that the candidate received at least ten per cent of the votes cast in the respective election for the office which the candidate is seeking.

(c) For the board of education and all other offices, the maximum amount of public funds available to a candidate shall not exceed \$100 in any election year."

22. By amending section 11-219 to read:

“§11-219 Qualifying campaign contributions; amounts. As a condition of receiving public funds for a primary, special primary, or general election, a candidate shall have filed an affidavit with the commission pursuant to section 11-208 to voluntarily limit the candidate’s campaign expenditures and shall be in receipt of the following sum of qualifying campaign contributions for the candidate’s respective office[:] for each election:

- (1) For the office of governor—qualifying contributions which in the aggregate exceed [~~\$25,000;~~] \$75,000;
- (2) For the office of lieutenant governor—qualifying contributions which in the aggregate exceed [~~\$20,000;~~] \$50,000;
- (3) For the office of mayor and prosecuting attorney in a county having more than [100,000] one hundred thousand registered voters—qualifying contributions which in the aggregate exceed [~~\$15,000;~~] \$40,000;
- (4) For the office of mayor and prosecuting attorney in a county having less than [100,000] one hundred thousand registered voters—qualifying contributions which in the aggregate exceed [~~\$5,000; and~~] \$10,000;
- (5) For [all other offices—qualifying contributions which in the aggregate exceed \$500.] the office of county council—qualifying contributions which in the aggregate exceed \$5,000;
- (6) For the office of the state senator—qualifying contributions which in the aggregate exceed \$2,500;
- (7) For the office of state house of representative—qualifying contributions which in the aggregate exceed \$1,500; and
- (8) For all other offices, qualifying contributions which in the aggregate exceed \$500.”

23. By amending section 11-221 to read:

“§11-221 Entitlement to payments. [(a)] Every candidate [for the office of governor, lieutenant governor, or mayor] who is eligible to receive public funds pursuant to section 11-220 is entitled to payments pursuant to section 11-217 in an amount equal to each qualifying contribution received by [such] that candidate or candidate committee during the matching payment period involved.

[(b)] The total amount of public funds for a primary, special primary, or general election to which a candidate for the office of governor, lieutenant governor, or mayor is entitled to receive under subsection (a) shall not exceed fifty per cent of the maximum amount of public funds available to the candidate for the candidate’s respective office pursuant to section 11-218.

(c) The maximum amount of public funds available to candidates for the office of state senator, state representative, county council member, prosecuting attorney, board of education, and all other offices shall not exceed \$50 for any primary, special primary, or general election.

(d) Each candidate who qualified for the maximum amount of public funding in any primary or special primary election and who is a candidate for a subsequent general election shall upon application with the commission be entitled to receive up to fifty per cent of the balance of public funds available to such candidate.]

A candidate is entitled to receive up to fifty per cent of the eligible amount upon initial certification by the commission without regard to the ten per cent votes cast requirement under section 11-218. Upon meeting the votes cast requirements under section 11-218 and upon certification by the commission, the candidate is entitled to receive an additional amount up to fifty per cent of the eligible amount.”

24. By amending subsection (a) of section 11-222 to read:

“(a) Application forms for public funds shall be adopted by the commission and shall provide for a sworn statement by the candidate that the candidate has established eligibility under section 11-220 to receive payments under section 11-217. Each application shall be accompanied by a qualifying campaign contribution statement or statements, and shall be filed with the commission[.] no later than sixty days after the general election. Upon approval by the commission of the application and qualifying contribution statement, the commission shall direct the comptroller to distribute matching public funds up to [a total of fifty per cent of] the maximum of the amount of public funds to which the candidate is entitled [for either a primary or special primary, or general election].

Public funds shall be distributed by the comptroller to each eligible candidate within ten days from the date of the candidate’s initial application with the commission.”

25. By amending subsection (a) of section 11-223 to read:

“(a) Each candidate who accepts public campaign funds under this subpart shall be required to abide by the campaign spending limits for the candidate’s respective office as set forth in section 11-209. Any candidate who exceeds the spending limits for the candidate’s respective office as set forth in section 11-209 shall return all of the public campaign funds the candidate has received to the Hawaii election campaign fund[.]; provided that any candidate who exceeds the limits by no more than one per cent shall return twenty-five per cent of the fund.”

26. By amending subsection (a) of section 11-227 to read:

“(a) Forty-five days before each primary, special primary, special, or general election, and at such other times as may be appropriate, the commission may publish public notices in the newspaper as well as other media to communicate to the public the following:

- (1) A [candidate’s failure to sign] candidate who has signed an affidavit pursuant to section 11-208 to abide by the expenditure limits for the candidate’s respective office as imposed by this subpart;
- (2) A candidate who has filed an affidavit to abide by spending limits, but who has exceeded the expenditure limits pursuant to section 11-209;
- (3) A candidate who has failed to file a report required under this subpart, or who has failed to correct a deficient report after notice of such deficiency or failure to file has been mailed to the candidate pursuant to section [11-193(b)(1);] 11-193(a)(5); and
- (4) Any flagrant violation of any other provision of this subpart.”

27. By amending section 11-228 to read:

“**§11-228 [Penalties;] Administrative fines; relief.** (a) [Any] In the performance of its required duties, the commission may render a decision or issue an order affecting any person violating any provision of this subpart other than in [section 11-193(b)(1),] sections 11-193(a)(5) and 11-215, that shall [be punishable] provide for the assessment of an administrative fine in the manner prescribed as follows:

- (1) If a natural person, [the person shall be guilty of a petty misdemeanor and shall be subject to the penalties specified therefor;] an amount not to exceed \$1,000 for each occurrence or an amount equivalent to three times the amount of an unlawful contribution or expenditure, whichever is greater; or

- (2) If a corporation, organization, association, or labor union, it shall be punished by a fine not exceeding \$1,000[;] for each occurrence; and
- (3) Whenever a corporation, organization, association, or labor union violates this subpart, the violation shall be deemed to be also that of the individual directors, officers, or agents of the corporation, organization, association, or labor union, who have knowingly authorized, ordered, or done any of the acts constituting the violation.

(b) Any order for the assessment of an administrative fine may not be issued against a person without providing the person written notice and an opportunity to be heard at a hearing conducted under chapter 91. A person may waive these rights by written stipulation or consent. If an administrative fine is imposed upon a candidate, the commission may order that the fine, or any portion, be paid from the candidate's personal funds.

(c) If an order issued by the commission is not complied with by the person to whom it is directed, the first circuit court, upon application of the commission, shall issue an order requiring the person to comply with the commission's order. Failure to obey such a court order shall be punished as contempt.

(d) Any administrative fine collected by the commission shall be deposited in the Hawaii election campaign fund.

[(b)] (e) Any person or the commission may sue for injunctive relief to compel compliance with this subpart.

[(c)] (f) The provisions of this section shall not be construed to prohibit prosecution under any appropriate provision of the Hawaii Penal Code[, including, but not limited to, sections 708-852 and 708-853 (forgery); section 708-855 (criminal simulation); section 708-856 (obtaining signature by deception); section 708-872 (falsifying business records); and section 708-874 (misapplication of entrusted property).] or section 11-229.”

28. By amending section 11-229 to read:

“§11-229 [Prosecution.] Criminal prosecution. (a) Any individual who knowingly, intentionally, or recklessly violates any provision of this subpart, other than sections 11-193(a)(5) and 11-215, shall be guilty of a misdemeanor. A person who is convicted under this section shall be disqualified from holding elective public office for a period of four years from the date of conviction.

(b) For purposes of prosecution for violation of this subpart, the offices of the attorney general and the prosecuting attorney of the respective counties shall be deemed to have concurrent jurisdiction to be exercised as follows:

- (1) Prosecution shall commence with a written request from the commission or upon the issuance of an order of the court; provided that prosecution may commence prior to any proceeding initiated by the commission or final determination;
- (2) In the case of state offices, parties, or issues, the attorney general or the prosecuting attorney for the city and county of Honolulu shall prosecute any violation; and
- (3) In the case of all other offices, parties, or issues, the attorney general or the prosecuting attorney for the respective county shall prosecute any violation.

In the commission's choice of prosecuting agency, it shall be guided by whether there will be any conflicting interest between the agency and its appointive authority.

[(b)] (c) The court shall give priority to the expeditious processing of suits under this section.

[(c)] (d) Prosecution for violation of any provision of this subpart shall not be commenced after [two] five years have elapsed from the date of the violation or date of filing of the report covering the period in which the violation occurred, whichever is later.”

SECTION 3. Section 235-7, Hawaii Revised Statutes, is amended by amending subsection (g) to read as follows:

- “(g) In computing taxable income there shall be allowed as a deduction:
- (1) Political contributions by any taxpayer not in excess of [\$100] \$250 in any year; provided that such contributions are made to a central or county committee of a political party whose candidates shall have qualified by law to be voted for at the immediately previous general election; or
 - (2) Political contributions by any individual taxpayer in an aggregate amount not to exceed [\$500] \$1,000 in any year; provided that such contributions are made to candidates as defined in section [11-191(3),] 11-191, who have agreed to abide by the campaign expenditure limits as set forth in section 11-209; and provided further that not more than [\$100] \$250 of an individual’s total contribution to any single candidate shall be deductible for purposes of this section.”

SECTION 4. There is appropriated out of the Hawaii election campaign fund of the State of Hawaii the sum of \$50,000, or so much thereof as may be necessary for fiscal year 1995–1996, for the campaign spending commission to improve its computer network, including the acquisition of hardware and software, and the hiring of consultants as may be necessary. The sum appropriated shall be expended by the campaign spending commission for the purposes of this Act.

SECTION 5. There is appropriated out of the Hawaii election campaign fund of the State of Hawaii the sum of \$70,000, or so much thereof as may be necessary for fiscal year 1995–1996, for one additional investigator for the campaign spending commission. The sum appropriated shall be expended by the office of the lieutenant governor for the purposes of this Act.

SECTION 6. If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the validity of the provision to other persons and circumstances shall not be affected thereby and further, the invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.”

SECTION 7. Statutory material to be repealed is bracketed. New statutory material is underscored.²

SECTION 8. This Act shall take effect on July 1, 1995; provided that section 3 shall apply to taxable years beginning after December 31, 1994.

(Approved June 29, 1995.)

Notes

1. Subsection (b) missing.
2. Edited pursuant to HRS §23G-16.5.