HOUSE OF REPRESENTATIVES TWENTY-FOURTH LEGISLATURE, 2007 STATE OF HAWAII

H.B. NO. 765

A BILL FOR AN ACT

RELATING TO CAMPAIGN SPENDING.

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

1	SECTIO	N 1. The legislature finds and declares that:
2	(1) T	The pervasive and expanding influence of private
3	С	contributions and expenditures on public elections in
4	t	the State of Hawaii undermines democracy and the
5	, r	rights of all Hawaii citizens to vote for the
6	С	candidate of their choice and to enjoy equal and
7	m	meaningful participation in the democratic process,
8	r	rights that are guaranteed by the First and Fourteenth
9	A	Amendments to the United States Constitution as well
10	a	as sections 1, 2, 4, and 8 of article I of the state
11	с	constitution;

12 (2) Candidates for statewide office who lack access to
13 personal wealth or wealthy donors are precluded from
14 running a competitive campaign, because their voices
15 are drowned out by those who can afford to saturate
16 their constituents with television, radio, and other
17 expensive mass-media communications, the indispensable



H.B. NO. 765

1 instruments of effective political speech in the modern age; 2 3 (3) In recent years, private contributions to statewide campaigns and independent expenditures made to 4 influence statewide campaigns have increased greatly. 5 This dramatic influx of private money, coupled with 6 7 recent high-profile law enforcement investigations and prosecutions of campaign finance abuses have 8 9 undermined the public's confidence in the political process and fueled the public perception of corruption 10 11 in Hawaii state politics; The dominance of private funding in state elections 12 (4) 13 also burdens candidates and elected officials with the 14 incessant rigors of fundraising and decreases the time 15 available to carry out their public responsibilities. 16 Further, private funding creates a danger of actual 17 corruption by compelling elected officials to accept 18 money from private interests that are directly 19 affected by governmental actions; and 20 The State's existing system of partial public funding (5) 21 for campaigns has not created a viable alternative to

private sources of funding. Only nine per cent of

- 22
- 2007-0888 HB SMA.doc

H.B. NO. 765

1 candidates statewide participated in the partial public funding system in the 2004 election, in part, 2 because the available partial public funding is 3 insufficient to run a competitive campaign. 4 5 The State has compelling interests in preserving the integrity of its democratic system, promoting an open and robust 6 debate on public issues, and protecting the constitutional 7 rights of its citizens. To serve these compelling interests, 8 the legislature finds and declares that it is essential to 9 10 provide comprehensive public funding to candidates seeking 11 election to the state house of representatives who voluntarily 12 agree to abide by campaign contribution and expenditure limits 13 and meet other criteria.

14 It is the purpose of this Act to create a comprehensive 15 public funding system that will offer a viable and competitive 16 alternative to private funding sources, thereby substantially 17 reducing or eliminating the deleterious effects of private 18 financing.

19 SECTION 2. Chapter 11, Hawaii Revised Statutes, is amended 20 by adding a new subpart to part XII to be appropriately inserted 21 and to read as follows:



Page 4

1	" . Comprehensive Public Funding for Elections to the
2	House of Representatives
3	§11-A Definitions. When used in this subpart, unless the
4	context clearly requires otherwise:
5	"Candidate" means an individual who seeks nomination for
6	election or seeks election to the state house of
7	representatives, and who meets the criteria of section 11-C.
8	"Candidate's committee" means a committee, as defined in
9	section 11-191, that makes an expenditure or accepts a
10	contribution on behalf of a candidate for nomination for
11	election, or reelection, to the state house of representatives,
12	with the candidate's authorization.
13	"Certification for comprehensive public funding" means the
14	decision by the commission that a candidate is certified to
15	receive public funding in accordance with this subpart.
16	"Certified candidate" or "comprehensive publicly funded
17	candidate" means a participating candidate who is certified by
18	the commission as eligible for comprehensive public funding
19	under this subpart and who agrees to abide by the requirements
20	of this subpart.
21	"Commission" shall be as defined in section 11-191.
22	"Committee" shall be as defined in section 11-191.



Page 5

1 "Contested election" means, in a primary election, the 2 certified candidate is opposed by one or more candidates for the nomination; and, in a general election, the certified candidate 3 is opposed by one or more candidates for election to the office. 4 "Contribution" shall be as defined in section 11-191. 5 6 "Declaration of intent to seek comprehensive public 7 funding" means the form completed by a participating candidate 8 and the filing of which triggers the participating candidate's 9 ability to begin collecting qualifying contributions. 10 "District" means a state house of representatives district, 11 as established in accordance with article III, section 3, of the 12 Constitution of the State of Hawaii. 13 "Election period" shall be as defined in section 11-191. 14 "Equalizing funds" means additional public funds released 15 by the commission to a comprehensive publicly funded candidate 16 to allow the publicly funded candidate to stay financially 17 competitive with a nonparticipating candidate in a contested 18 election. 19 "Excess expenditure" means the amount of comprehensive 20 public funds spent or obligated to be spent by a comprehensive 21 publicly funded candidate in excess of one hundred per cent of



Page 6

the allocated funds for a primary election, general election, or
 both.

3 "Expenditure" shall be as defined in section 11-191.
4 "General election campaign period" means the period
5 beginning the day after the primary election and ending two
6 weeks after a general election.

7 "General election year" means the period commencing
8 January 1 of an even-numbered year in which a general election
9 is held and ending two weeks after the general election.

10 "Hawaii election campaign fund" shall be as defined in11 section 11-217.

12 "Immediate family" shall be as defined in section 11-191. "Independent expenditure" means an expenditure by a 13 14 noncandidate committee, party, or any other person for a 15 communication that expressly advocates the nomination, election, 16 or defeat of a clearly identified certified candidate or 17 nonparticipating candidate and that is not made in concert or 18 cooperation with or as part of any coordinated activity or at 19 the request or suggestion of the certified candidate or 20 nonparticipating candidate, a candidate's committee, or their 21 agents. For the purposes of this definition, "clearly 22 identified" means that the name, likeness, photograph, or



Page 7

drawing of the certified candidate or nonparticipating candidate 1 2 is used, or the identity of the certified candidate or 3 nonparticipating candidate is apparent by unambiguous reference. "Individual" shall be as defined in section 11-191. 4 "Loan" shall be as defined in section 11-191. 5 "Noncandidate committee" shall be as defined in section 6 7 11-191. "Nonmonetary contribution" means a contribution other than 8 of money that may include goods or services. 9 10 "Nonparticipating candidate" means a candidate who does not 11 qualify for or receive public funding during an election period and is involved in a contested election with a certified 12 13 participating candidate. "Participating candidate" means a candidate who is seeking 14 certification for comprehensive public funding under this 15 16 subpart. "Party" shall be as defined in section 11-191. 17 "Person" shall be as defined in section 11-191. 18 "Primary election campaign period" means the period in a 19 20 primary election year beginning with the certification for 21 comprehensive public funding under this subpart and ending two 22 weeks after the primary election.



"Public funding" or "public funds" means campaign funds
 from the Hawaii election campaign fund received by an eligible
 candidate pursuant to subpart B or this subpart.

4 "Qualifying contribution" means a \$ monetary
5 contribution made to a participating candidate for purposes of
6 meeting the criteria of section 11-G.

"Qualifying period" means the period in a general election 7 year, beginning January 1 and ending on the deadline for filing 8 9 candidate nomination papers to run in the primary election of a 10 general election year during which a candidate may collect 11 qualifying campaign contributions to qualify for comprehensive 12 public funding under this subpart; provided the commission has 13 determined that the Hawaii election campaign fund has sufficient 14 funds to make payments to comprehensive publicly funded 15 candidates during the election period.

16 "Seed money" means contributions made to a participating 17 candidate by a person in accordance with section 11-D that shall 18 be expended for the purpose of determining campaign viability. 19 "Surplus campaign funds" means any campaign contributions 20 not spent during a prior election period by a participating 21 candidate who previously sought election as a privately funded 22 candidate.



H.B. NO. 765

Except for terms that are specifically defined in this
 subpart, terms that are defined under subpart B shall apply to
 this subpart.

4 §11-B Sufficiency of funding for comprehensive public
5 funding. On September 1 of each odd-numbered year before a
6 general election year, the commission shall determine whether
7 there is a minimum of \$6,000,000 in the Hawaii election campaign
8 fund to certify participating candidates during the next
9 election and provide funding for comprehensive public funding
10 for elections under this subpart.

If the commission determines that there is sufficient funding, then within five business days, the commission shall publish notice statewide, pursuant to section 1-28.5, that the comprehensive public funding program shall become effective on January 1 of the following year. If there is insufficient funding, then this subpart shall be inoperative.

17 If this subpart is inoperative, candidates may seek public18 funding as provided under subpart B.

19 §11-C Qualifications for comprehensive public funding.
20 (a) A candidate may seek comprehensive public funding for the
21 primary election campaign period if the candidate:



H.B. NO. 765

1	(1)	Resides in the district from which election is sought
2		as of the date of the filing of nomination papers for
3		the primary election in the general election year in
4		which the candidate seeks to be nominated or elected;
5	(2)	Is a registered voter in the district from which
6		election is sought;
7	(3)	Files a declaration of intent to seek comprehensive
8		public funding with the commission between January 1
9		of the election year and thirty days before the
10		closing date to file nomination papers to run for
11		office for which the candidate intends to seek
12		election;
13	(4)	Collects a \$ district qualifying
14		contribution in accordance with section 11-F;
15	(5)	Accepts only the following contributions prior to
16		applying for certification as a comprehensive publicly
17		funded candidate:
18		(A) Seed money contributions until the candidate
19		files a declaration of intent to seek
20		comprehensive public funding; and



1		(B) Qualifying contributions that may be accepted
2		only after filing the declaration of intent to
3		seek comprehensive public funding; and
4	(6)	Files an application for certification for
5		comprehensive public funding with the commission and a
6		declaration that the candidate has complied and will
7		comply with all of the requirements of this subpart,
8		as applicable.
9	(b)	A candidate is qualified to seek comprehensive public
10	funding f	or the general election campaign period if the
11	candidate	:
12	(1)	Was certified as a comprehensive publicly funded
13		candidate during the primary election campaign period
14		immediately preceding the general election in which
15		the funds under this subpart are provided; and
16	(2)	Received a sufficient number of votes to appear on the
17		ballot in the general election or is otherwise
18		certified by the office of elections to be placed on
19		the ballot in the general election.
20	§11-	D Seed money contributions; limitations on use of seed
21	money; pe	nalties. (a) The use of seed money shall be limited
22	to expend	itures necessary to determine whether sufficient



Page 12

12

support exists for a participating candidate to run for office
 as a comprehensive publicly funded candidate.

3 (b) The amount of seed money retained or expended, or
4 both, by a candidate seeking eligibility for comprehensive
5 public funding for the state house of representatives shall not
6 exceed \$3,000.

7 (c) A participating candidate shall not accept
8 contributions of seed money from any person whose contributions
9 are prohibited under subpart B. All contributors whose seed
10 money has been accepted shall be issued a receipt by the
11 participating candidate.

12 (d) A participating candidate may use personal funds or
13 surplus campaign funds for seed money purposes, all of which
14 shall be subject to the \$3,000 limit, as applicable, in
15 subsection (b).

(e) Seed money shall only be spent prior to and during the qualifying period and shall not be collected after the candidate has filed the declaration to run. The candidate may spend seed money only until the candidate is certified by the commission as a comprehensive publicly funded candidate.

21 (f) Any unspent seed money shall be deducted from the22 initial primary election distribution of a participating



13

comprehensive publicly funded candidate if the candidate becomes
 a certified comprehensive publicly funded candidate and does not
 donate excess seed money to the Hawaii election campaign fund.

§11-E Restriction on use of surplus campaign funds. A 4 comprehensive publicly funded candidate who has surplus campaign 5 6 funds from a previous election is prohibited from using those funds for anything other than in-office constituent 7 8 communications. The surplus campaign funds shall be frozen and 9 maintained in a separate depository account from that established for the comprehensive public funds under section 10 11 11-N. The comprehensive publicly funded candidate shall 12 continue to file reports on the surplus campaign funds in 13 accordance with subpart B or as otherwise may be required by the 14 commission.

15 §11-F Qualifying campaign contributions. (a) Each 16 qualifying campaign contribution shall meet the requirements of 17 this section. To be counted as a qualifying campaign contribution, a contributor to a candidate for the state house 18 19 of representatives shall be a registered voter who resides 20 within the state house of representative district to which the 21 candidate seeks nomination or election at the time the



Page 13

H.B. NO. 765

14

1 contribution is given. A contribution shall be made in an 2 amount and in a form that may be prescribed by the commission. 3 (b) No qualifying contribution shall be collected prior to a candidate filing a declaration of intent to seek comprehensive 4 5 public funding with the commission. 6 (c) Any receipt for a qualifying campaign contribution 7 shall be made in a form that may be prescribed by the 8 commission. (d) All qualifying campaign contributions collected by 9 10 candidates, whether or not the candidate is certified, shall be 11 deposited into the Hawaii election campaign fund. 12 §11-G Certification of qualification for comprehensive 13 public funds. (a) Candidates seeking certification as a 14 comprehensive publicly funded candidate shall submit to the 15 commission an application for certification that contains at 16 least two hundred fifty signatures and contributions for 17 election to office in the state house of representatives from 18 registered voters in the district for which the candidate seeks 19 office no later than thirty days prior to the primary election, 20 signed by the participating candidate and the participating 21 candidate's campaign treasurer under penalty of perjury.



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(b) The application shall also include any information
 deemed necessary and appropriate by the commission.
 (c) The commission shall issue a decision to certify or
 deny certification of a candidate as a comprehensive publicly
 funded candidate within five business days following receipt of
 the candidate's completed application for certification for

7 comprehensive public funds.

8 (d) After a participating candidate is certified as a
9 comprehensive publicly funded candidate, the candidate's
10 certification shall apply to both the primary and the general
11 election, even if the candidate is unopposed in the primary
12 election.

(e) A candidate who is not certified for comprehensive
public funding under this subpart may seek public funding under
the public funding program in subpart B.

16 §11-H Comprehensive publicly funded candidates;
17 contributions and expenditures; penalties. (a) Except as
18 authorized under section 11-K, a certified candidate shall
19 comply with the following restrictions on contributions and
20 expenditures:

21 (1) Upon certification for comprehensive public funding
22 and until the end of the general election period, a



1	СС	comprehensive publicly funded candidate shall not		
2	ac	accept for use in the campaign:		
3	(<i>P</i>	A) Contributions from any source; provided that the		
4		candidate may accept in-kind contributions		
5		aggregating less than \$ in any single		
6		month from any single source;		
7	(E	3) Loans from any person, including a certified		
8		candidate;		
9	(0	C) Contributions from political parties; and		
10	(I)) Any campaign material purchased or held from a		
11		date prior to the declaration of intent to run		
12		for office as a comprehensive publicly funded		
13		candidate; and		
14 (2	2) UI	pon certification for comprehensive public funding		
15	ar	nd until the end of the general election period, a		
16	CC	omprehensive publicly funded candidate shall not		
17	ez	xpend for campaign purposes:		
18	(7	A) Any money except public funds issued by the		
19		commission;		
20	(1	3) Public funds for purposes other than those		
21		permitted in this subpart;		



17

1 (C)Public funds outside the applicable campaign period for which the funding is allocated, except 2 for proper campaign debts incurred but not paid; 3 4 and 5 (D) Public funds in excess of the comprehensive public funds allocated to the candidate, 6 7 including equalizing funds, or incur an obligation or obligations to spend public funds 8 9 in excess of this amount. 10 (b) A certified candidate who accepts contributions in 11 violation of this section shall be subject to a fine equal to 12 three times the public funding received, in addition to any 13 other action, fines, or prosecution under section 11-P. 14 (c) A certified candidate who spends or incurs an 15 obligation to spend more than one hundred per cent of the public 16 funds allocated to the candidate under this subpart shall repay 17 to the Hawaii election campaign fund an amount equal to three 18 times the excess expenditures. 19 §11-I Comprehensive publicly funded candidate; reporting. 20 (a) A comprehensive publicly funded candidate and the certified 21 candidate's committee shall furnish complete campaign records,

22 including all records of nonmonetary contributions, seed money



Page 18

18

contributions, qualifying campaign contributions to the
 commission, and expenditures to the commissioner. A candidate
 shall fully cooperate with any audit or examination by the
 commission.

(b) A comprehensive publicly funded candidate shall comply
with the reporting requirements of sections 11-194, 11-195,
11-196, 11-212, 11-213, and 11-224 in addition to those required
under this subpart or that may be required by the commission.
(c) The commission shall require that all certified

10 candidates file the reports required under this subpart in a 11 digital, electronic format specified by rules adopted by the 12 commission under chapter 91.

13 §11-J Comprehensive publicly funded candidate; continuing
14 obligation. (a) A certified candidate shall comply with all
15 requirements under this subpart through the general election
16 campaign period regardless of whether the certified candidate
17 maintains eligibility for comprehensive public funding in the
18 general election campaign period.

(b) A certified comprehensive publicly funded candidate
who wins office will be allowed to fundraise no more then \$6,000
per year with individual contributions of no greater then \$500.



H.B. NO. 765

19

(c) Any surplus of funds for a successful certified
 comprehensive publicly funded candidate up to \$12,000 may be
 carried over to cover in-office constituent communications not
 to exceed \$6,000 annual allotment or \$12,000 for a two-year
 term.

6 (d) If the total surplus from a publicly funded campaign
7 falls under \$12,000 the certified comprehensive publicly funded
8 office holder will be allowed to raise the difference pursuant
9 to subpart (b) while in office.

10 (e) Except for seed money contributions, qualifying 11 contributions, and in-office constituent communications, a certified candidate who is elected to the office sought shall 12 13 not accept private contributions from any person, political 14 party, or political action committee until either September 1 of 15 the next odd-numbered year following the general election in which the candidate was last elected, or the date when the 16 commission determines there are insufficient funds under section 17 18 11-B, whichever occurs earlier.

19 (f) If a certified candidate withdraws from seeking the 20 nomination for or from the election, or has unspent public funds 21 after an election, all unencumbered funds received by the 22 candidate under this subpart shall be returned to the Hawaii



20

election campaign fund within ten days after the general
 election.

3 §11-K Amount of base public funding; disbursements;
4 sufficiency of public funding. (a) For primary elections
5 subject to this subpart, the base amount of comprehensive public
6 funding shall be set at an average of the amount spent by the
7 winning candidates in the previous two state house of
8 representatives primary elections, statewide, reduced by ten per
9 cent.

10 (b) For general elections subject to this subpart, the 11 base amount of comprehensive public funding shall be set at an 12 average of the amount spent by the winning candidates in the 13 previous two state house of representatives general elections, 14 statewide, reduced by ten per cent.

15 (c) The base amount of public funding for an uncontested 16 primary election shall be thirty per cent of the amount provided 17 in a contested election as determined under subsection (a). No 18 funding shall be allocated in an uncontested general election.

19 (d) The commission shall disburse public funds by check or20 electronic transfer.

(e) If the winning primary candidate has residual fundsfrom the primary election, those funds may be carried over to



Page 21

21

the general election. A certified candidate who is not
 successful in the primary election shall return all unspent and
 unencumbered public funds to the Hawaii campaign election fund
 within ten days after the primary election.

(f) The commission shall not distribute comprehensive
public funding to certified candidates that exceeds the total
amount of \$ for all candidates subject to this subpart
in any given election year in which this subpart is operative.
(g) Commencing January 1 of a general election year and

10 ending with the deadline to submit applications for 11 certification, the commission shall post on its website a 12 monthly report stating, by district, the number of declarations 13 of intent to seek comprehensive public funding received, the 14 number of applications for certification received, the number of 15 candidates who have been certified for comprehensive public funding, the base amount committed to certified candidates, and 16 the amount available for additional certified candidates. 17

18 Notwithstanding any other provisions in this subpart, if 19 the commission determines that the revenues are insufficient to 20 meet distributions to certified candidates under this section, 21 the commission shall either permit certified candidates to 22 accept and spend contributions, subject to the campaign



H.B. NO. 765

1 contribution limitations set forth in section 11-204, up to the 2 applicable amounts, including equalizing funds the certified 3 candidate would have received from comprehensive public funding. §11-L Equalizing funds, sufficiency of funds. 4 (a) The commission shall disburse equalizing funds to a certified 5 6 candidate in a contested election whenever any campaign report 7 filed pursuant to subpart B shows that the sum of an opposing 8 nonparticipating candidate and the nonparticipating candidate's 9 committee's expenditures and obligations, or campaign 10 contributions received or borrowed, whichever is greater, added 11 to any independent expenditures made in support of that 12 nonparticipating candidate or against the opposing certified 13 candidate reported by any noncandidate's committee, party, or 14 any other person exceeds one hundred per cent of the amount of 15 comprehensive public funding previously allotted and distributed 16 to the opposing certified candidate in a contested election, including any equalizing funds previously distributed. 17 18 (b) Equalizing funds shall be limited to two hundred per 19 cent of the base amount of comprehensive public funding allotted

20 to the certified candidate in a contested election.

(c) In an uncontested primary election where a
comprehensive publicly funded candidate has a private funding



23

opponent from another party or an independent who spends above
 the base allotment, the certified candidate shall receive
 equalizing funds limited to two hundred per cent of the base
 amount allotted.

5 (d) If the election will be decided in the primary
6 election, equalizing funds shall be limited to a maximum of two
7 hundred per cent of the base amount of comprehensive public
8 funding allotted to a certified candidate in a contested
9 election.

10 (e) The commission shall electronically transfer
11 equalizing funds to a certified candidate within twenty-four
12 hours of the filing with the commission of the report indicating
13 the certified candidate's entitlement to equalizing funds.

14 (f) At any reporting period, if the privately funded 15 candidate spends more then the entire comprehensive public fund 16 original allotment, the comprehensive publicly funded candidate 17 shall receive an amount equal to but not to exceed two times the 18 original allotment.

(g) Reporting obligations under this section for
nonparticipating candidates and their candidate's committees,
noncandidate committees, parties, or any other persons making
independent expenditures shall be in addition to the reporting



H.B. NO. 765

24

requirements under this chapter whenever a certified candidate 1 2 is opposed in a contested election by a nonparticipating 3 candidate as follows: Commencing forty-five days before the primary election 4 (1)day, nonparticipating candidates and their candidate's 5 committees shall file an initial excess report with 6 7 the commission within twenty-four hours after cumulative contributions are received, or expenditures 8 are made or committed to be made, including verbal 9 commitments, in an election period that exceeds one 10 hundred one per cent of the base amount of 11 12 comprehensive public funding allotted to an opposing certified candidate in a contested election. 13 14 Nonparticipating candidates and the candidate's 15 committees shall file supplemental excess reports 16 within twenty-four hours after any encumbrances or expenditures that exceed \$ in aggregate; and 17 Commencing forty-five days before the general election 18 (2) day, noncandidate committees, parties, and any other 19 20 persons that incur independent expenditures that 21 expressly advocate the nomination, election, or defeat 22 of a certified candidate shall file an independent



H.B. NO. 765

25

expenditure report with the commission within 1 twenty-four hours when expenditures exceed \$ 2 in aggregate in an election period. Thereafter, 3 noncandidate committees, parties, and any other 4 persons that incur independent expenditures, including 5 verbal expenditure commitments, shall file 6 supplemental independent expenditure reports within 7 8 twenty-four hours whenever the aggregate expenditures exceed \$100. The independent expenditure reports 9 10 shall identify the nonparticipating candidate or 11 certified candidate for whom the independent expenditure is intended to influence the nomination, 12 election, or defeat. 13

(h) If a nonparticipating candidate and the candidate's
committee fails to file or files a false excess report or
supplemental excess reports as required under subsection (g),
the commission, within twenty-four hours of verifying the
failure or falsity, shall automatically disburse equalizing
funds to any opposing certified candidate up to the maximum
authorized under subsections (b) and (c).

(i) Any nonparticipating candidate and the candidate's
committee, noncandidate committee, party, or any other person



H.B. NO. 765

26

1 that makes independent expenditures in a contested election
2 involving a certified candidate who fails to file a report as
3 required under this subpart or files a false report shall be:
4 (1) Guilty of a misdemeanor;

5 (2) Subject to a fine of up to three times the amount of
6 equalizing funds paid to the certified candidate; and
7 (3) Subject to any other fine or penalty pursuant to
8 sections 11-228 and 11-229.

Upon certification of all comprehensive publicly 9 (j) 10 funded candidates, if the commission determines there are 11 insufficient funds to meet the potential need for equalizing funds for all certified candidates, the commission shall permit 12 each certified candidate to accept and spend private 13 14 contributions, subject to the campaign contribution limitations 15 set forth in section 11-204, up to the equalizing funds the certified candidate would have received from comprehensive 16 17 public funding.

18 (k) The commission shall adopt rules under chapter 91 to 19 compute the amount of equalizing funds allotted to a certified 20 candidate that takes into consideration the contributions and 21 expenditures of the nonparticipating candidate and the 22 candidate's committee, and any independent expenditures incurred



H.B. NO. 765

27

1 to influence the nomination, election, or defeat of the 2 certified candidate. To prevent the abuse of equalizing funds, 3 the commission shall not base any calculation on independent 4 expenditures that, although containing words of express 5 advocacy, also contain other words or phrases that have no other 6 reasonable meaning other than to contradict the expressed 7 advocacy.

8 §11-M Comprehensive public funding; permitted uses. (a)
9 Comprehensive public funds shall be used only for the purpose of
10 defraying expenses that are directly related to the certified
11 candidate's campaign during the election campaign period for
12 which the comprehensive public funds are allocated.

(b) A candidate receiving funds under this subpart or the
candidate's campaign treasurer shall not transfer any portion of
the funds provided under this subpart to any other candidate for
another campaign.

17 §11-N Deposit of, and access to, comprehensive public
18 funds. (a) All public funds received by a certified candidate
19 shall be deposited directly into a depository institution as
20 provided under section 11-199(a) and accessed through use of
21 credit cards, debit cards, and bank checks.



1	(b)	All reports required under subpart B and this subpart
2	for finan	cial disclosure shall include the most recent bank
3	statement	from the financial depository holding the public
4	funds.	
5	§11-	O Deposit of money into the Hawaii election campaign
6	fund. In	addition to the funds collected by the commission and
7	pursuant	to section 11-217, the following moneys shall be
8	deposited	into the Hawaii election campaign fund:
9	(1)	Appropriations from the legislature;
10	(2)	Moneys from tax remittances under section 237-31(3);
11	(3)	Excess seed money contributions;
12	(4)	Qualifying contributions, including any excess
13		qualifying contributions of certified candidates;
14	(5)	Unspent public funds distributed to any certified
15		candidate;
16	(6)	Fines levied by the commission for violation of this
17		subpart;
18	(7)	Voluntary donations; and
19	(8)	An appropriation from the unclaimed property trust
20		fund of no less than \$2,500,000 annually.



H.B. NO. 765

29

§11-P Violations; penalties. Any candidate who knowingly 1 seeks or receives public funding in order to fraudulently 2 qualify for or receive public funding shall: 3 Have the candidate's certification for comprehensive 4 (1)5 public funding revoked. Upon revocation of certification, the certified candidate shall repay all 6 public funds received within ten business days; and 7 (2) Be subject to fines and penalties as specifically 8 provided in this subpart and other fines or penalties 9 10 pursuant to sections 11-228 and 11-229. 11 **§11-0** Rules. The commission shall adopt forms and rules pursuant to chapter 91 as may be necessary to implement this 12

13 subpart, including reporting requirements of section 11-L and 14 any restrictions on petty cash expenditures by the certified 15 candidate."

16 SECTION 3. Section 11-191, Hawaii Revised Statutes, is 17 amended by amending the definition of "qualifying campaign 18 contribution" to read as follows:

19 "Qualifying campaign contribution" means an aggregate 20 monetary contribution of \$100 or less, by any person during any 21 matching payment period[-] for purposes of entitlement to

22 payments under the partial public funding program pursuant to



Page 30

1	section 1	1-221. Qualifying <u>campaign</u> contributions do not
2	include l	oans or in-kind contributions."
3	SECT	ION 4. Section 11-217, Hawaii Revised Statutes, is
4	amended t	o read as follows:
5	"§11	-217 Hawaii election campaign fund; creation. (a)
6	The Hawai	i election campaign fund is created as a trust fund
7	within th	e state treasury. The fund shall consist of $[all]$:
8	(1)	All moneys collected from persons who have designated
9		a portion of their income tax liability to the fund as
10		provided in section 235-102.5[, any] <u>;</u>
11	(2)	Any general fund revenues appropriated[, as well as
12		all];
13	(3)	A \$2,500,000 annual appropriation from the unclaimed
14		property trust fund;
15	(4)	Moneys from tax remittances under section 237-31(3);
16		and
17	(5)	<u>All</u> other moneys collected pursuant to this subpart.
18	<u>(b)</u>	Payment to each candidate from the fund shall be by
19	the compt	roller in the manner prescribed in section 11-222[-] or
20	section 1	1-K, as appropriate.



H.B. NO. 765

31

(c) Moneys from this fund may also be used for the
 operating expenses of the commission, including staff salaries
 and fringe benefits."

4 SECTION 5. Section 11-217.5, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "\$11-217.5 Depletion of fund. (a) The Hawaii election
7 campaign fund shall be under no obligation to provide moneys to
8 [qualified] eligible candidates [in the event that] if in the
9 partial public funding program or comprehensive public funding
10 for elections to the state house of representatives moneys in
11 that fund have been depleted.

12 [In the event that] For purposes of the partial (b) 13 funding program, if the Hawaii election campaign fund is close 14 to depletion, as determined by the commission, the commission shall determine the amounts available to [qualified] eligible 15 candidates based on their order of eligibility in gualifying for 16 17 partial public funds, as determined by the date of filing of an 18 application for public funds with the commission pursuant to 19 section 11-222; provided that the application has been accepted 20 by the commission.

(c) For the purposes of the comprehensive public funding
 for elections to the state house of representatives, if the



1	Hawaii election campaign fund is close to depletion, the
2	commission shall determine whether that program shall be
3	operative in accordance with subpart ."
4	SECTION 6. Section 11-218, Hawaii Revised Statutes, is
5	amended to read as follows:
6	<pre>"§11-218 [Candidate funding; amounts available.] Partial</pre>
7	public funding program: maximum allowed. (a) Public funds from
8	the Hawaii election campaign fund are available to fund eligible
9	candidates who qualify for the partial public funding program in
10	the amounts set forth in this section.
11	[(a)] <u>(b)</u> For the office of governor, lieutenant governor,
12	or mayor, the maximum amount of partial public funds available
13	to a candidate in any election shall not exceed ten per cent of
14	the total expenditure limit as determined under section 11-209
15	for each election for each office listed in this subsection.
16	$\left[\frac{b}{c}\right]$ (c) For the office of state senator, state
17	representative, county council member, and prosecuting attorney,
18	the maximum amount of <u>partial</u> public funds available to a
19	candidate in any election shall be fifteen per cent of the total
20	expenditure limit as determined under section 11-209 for each
21	election for each office listed in this subsection.



H.B. NO. 765

1 $\left[\frac{d}{d}\right]$ (d) For the office of Hawaiian affairs, the maximum 2 amount of partial public funds available to a candidate shall not exceed \$1,500 in any election year. 3 $\left[\frac{d}{d}\right]$ (e) For the board of education and all other 4 offices, the maximum amount of partial public funds available to 5 6 a candidate shall not exceed \$100 in any election year. 7 [(++)] (f) Each candidate who qualified for the maximum amount of partial public funding in any primary election and who 8 is a candidate for a subsequent general election shall apply 9 10 with the commission to be qualified to receive the maximum 11 amount of public funds as provided in this section for the respective election. For purposes of this section, "qualified" 12 means meeting the qualifying campaign contribution requirements 13 14 of section 11-219." 15 SECTION 7. Section 11-219, Hawaii Revised Statutes, is 16 amended to read as follows: 17 "§11-219 Qualifying campaign contributions[+] for partial public funding program; amounts. As a condition of receiving 18 19 public funds for a primary or general election, a candidate 20 shall not be unopposed in any election for which partial public 21 funds are sought, shall have filed an affidavit with the 22 commission pursuant to section 11-208 to voluntarily limit the 2007-0888 HB SMA.doc 33

1	candidate's campaign expenditures, and shall be in receipt of			
2	the following sum of qualifying campaign contributions from			
3	individua	l res	idents of Hawaii:	
4	(1)	For	the office of governorqualifying <u>campaign</u>	
5		cont	ributions that in the aggregate, exceed \$100,000;	
6	(2)	For	the office of lieutenant governorqualifying	
7		camp	aign contributions that in the aggregate, exceed	
8		\$50,	000;	
9	(3)	For	the office of mayor for each respective county:	
10		(A)	County of Honoluluqualifying <u>campaign</u>	
11			contributions that in the aggregate, exceed	
12			\$50,000;	
13		(B)	County of Hawaiiqualifying <u>campaign</u>	
14			contributions that in the aggregate, exceed	
15			\$15,000;	
16		(C)	County of Mauiqualifying <u>campaign</u> contributions	
17			that in the aggregate, exceed \$10,000; and	
18		(D)	County of Kauaiqualifying campaign	
19			contributions that in the aggregate, exceed	
20			\$5,000; and	
21	(4)	For	the office of prosecuting attorney for each	
22		resp	ective county:	



1		(A)	County of Honoluluqualifying <u>campaign</u>
2			contributions that in the aggregate, exceed
3			\$30,000;
4		(B)	County of Hawaiiqualifying <u>campaign</u>
5			contributions that in the aggregate, exceed
6			\$10,000; and
7		(C)	County of Kauaiqualifying <u>campaign</u>
8			contributions that in the aggregate, exceed
9			\$5,000;
10	(5)	For	the office of county councilfor each respective
11		cour	ity:
12		(A)	County of Honoluluqualifying campaign
13			contributions that in the aggregate, exceed
14			\$5,000;
15		(B)	County of Hawaiiqualifying <u>campaign</u>
16			contributions that in the aggregate, exceed
17			\$1,500;
18		(C)	County of Mauiqualifying <u>campaign</u> contributions
19			that in the aggregate, exceed \$5,000; and
20		(D)	County of Kauaiqualifying <u>campaign</u>
21			contributions that in the aggregate, exceed
22			\$3,000;
	0007 0000		



1	(6)	For the office of state senatorqualifying <u>campaign</u>
2		contributions that, in the aggregate, exceed \$2,500;
3	(7)	For the office of state representativequalifying
4		campaign contributions that, in the aggregate, exceed
5		\$1,500;
6	(8)	For the office of Hawaiian affairsqualifying
7		campaign contributions that, in the aggregate, exceed
8		\$1,500; and
9	(9)	For all other offices, qualifying <u>campaign</u>
10		contributions that, in the aggregate, exceed \$500."
11	SECT	ION 8. Section 11-220, Hawaii Revised Statutes, is
12	amended t	o read as follows:
13	"§11	-220 Eligibility for payments[+] <u>under the partial</u>
14	public fu	nding program. (a) To be eligible to receive
15	[payments	under section 11-217,] partial public funding from the
16	Hawaii el	ection campaign fund under section 11-221, a candidate
17	shall in	writing:
18	(1)	Agree to obtain and furnish to the commission any
19		evidence of the campaign expenses of [such] the
20		candidate [which] that the commission may request;



1	(2)	Agree to keep and furnish records, books, and other
2		information [which] <u>that</u> the commission may request;
3		and
4	(3)	Agree to an audit and examination by the commission
5		under section 11-225 and to pay any amounts required
6		to be paid pursuant to that section.
7	(b)	To be eligible to receive [payments pursuant to
8	section 1	1-217,] partial public funding from the Hawaii election
9	campaign	fund under section 11-221, a candidate shall certify to
10	the commi	ssion that:
11	(1)	The candidate and all committees authorized by the
12		candidate shall not incur campaign expenses in excess
13		of the expenditure limitations imposed by section
14		11-209;
15	(2)	The candidate has qualified to be on the election
16		ballot in a primary or general election;
17	(3)	The candidate has filed a statement of intent to seek
18		qualifying campaign contributions. A contribution
19		received before the filing of a statement of intent to
20		seek partial public funds shall not be considered a
21		qualifying campaign contribution;



H.B. NO. 765

1	(4)	The candidate or committee authorized by the candidate
2		has received the qualifying sum of private
3		contributions for the office sought by the candidate
4		as set forth in section 11-219; and
5	(5)	The aggregate of contributions certified with respect
6		to any person under paragraph (4) does not exceed
7		\$100.
8	(c)	Each candidate and candidate's committee in receipt of
9	qualifyin	g campaign contributions [which] <u>that</u> may be taken into
10	account f	or purposes of <u>partial</u> public funding shall maintain,
11	on a form	prescribed by the commission, records [which] <u>that</u>
12	show the	date and amount of each qualifying campaign
13	contribut	ion and the full name and mailing address of the person
14	making th	e contribution. The candidate and all committees
15	authorize	d by the candidate shall transmit to the commission all
16	reports with respect to these contributions that the commission	
17	may require.	
18	(d)	No candidate certified for comprehensive public
19	funding u	nder subpart shall be eligible for partial public
20	funding u	nder this subpart in a given election period."
21	SECT	ION 9. Section 11-221, Hawaii Revised Statutes, is
22	amended t	o read as follows:



H.B. NO. 765

1	"§11-221 Entitlement to payments[-] partial payment
2	funding. (a) A candidate shall obtain the minimum amount of
3	qualifying campaign contributions set forth in section 11-219,
4	once for the election period. After the candidate obtains the
5	minimum amount of qualifying campaign contributions, the
6	candidate shall be entitled to receive for each election that
7	the candidate's name appears on the ballot:
8	(1) The minimum payment in an amount equal to the
9	qualifying campaign contributions; and
10	(2) Payments of \$1 for each \$1 of qualifying contributions
11	in excess of the minimum amount of qualifying
12	contributions;
13	provided that the candidate shall not receive more than the
14	maximum amount of <u>partial</u> public funds available to a candidate
15	pursuant to section 11-218; provided further that the candidate
16	shall not receive <u>partial</u> public funds for a primary election if
17	the candidate does not obtain the minimum amount of qualifying
18	contributions before the date of the primary election.
19	(b) A candidate shall have at least one other qualified
20	candidate as an opponent for the primary or general election to
21	receive partial public funds for that election."



40

SECTION 10. Section 11-222, Hawaii Revised Statutes, is
 amended by amending the title and subsections (a) to (c) to read
 as follows:

4 "§11-222 Candidate funding; application[-] for partial (a) Application forms for partial public funds 5 public funds. 6 shall be adopted by the commission and shall provide for a sworn 7 statement by the candidate that the candidate has established 8 eligibility under section 11-220 to receive payments under 9 section 11-217. Each application shall be accompanied by a 10 qualifying campaign contribution statement or statements, and 11 shall be filed with the commission no later than thirty days 12 after the general election. Upon approval by the commission of the application and qualifying contribution statement, the 13 commission shall direct the comptroller to distribute [matching] 14 15 partial public funds up to the maximum of the amount of partial public funds to which the candidate is entitled. 16

17 [Public] partial public funds shall be distributed by the 18 comptroller to each eligible candidate within twenty days from 19 the date of the candidate's initial application with the 20 commission.

21 (b) Each candidate in receipt of the qualifying sum of
22 <u>campaign</u> contributions established for the candidate's office
2007-0888 HB SMA.doc

Page 41

41

may apply to the commission for <u>partial</u> public funding after the
 candidate has become a candidate in a primary or general
 election.

4 (c) The commission shall make additional certifications
5 within two weeks after receiving an application and supplemental
6 contribution statement from an eligible candidate who requests
7 additional <u>partial</u> public funding pursuant to section 11-221."
8 SECTION 11. Section 11-223, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "§11-223 Candidate funding; restrictions. (a) Each 11 candidate who accepts partial public campaign funds under this 12 subpart shall be required to abide by the campaign spending 13 limits for the candidate's respective office as set forth in 14 section 11-209. Any candidate who exceeds the spending limits 15 for the candidate's respective office as set forth in section 16 11-209 shall immediately return all of the partial public 17 campaign funds the candidate has received to the Hawaii election 18 campaign fund.

(b) [Public] Partial public campaign funds provided under
this subpart shall only be used to:

2007-0888 HB SMA.doc

Page 42

5

H.B. NO. 765

42

(1) Defray campaign expenses incurred by and paid for an
 eligible candidate or all committees authorized by
 [such] the candidate; and
 (2) Repay loans, the proceeds of which were used to defray

campaign expenses.

6 (c) No candidate or committee authorized by a candidate 7 shall be entitled to receive any <u>partial</u> public funds under this 8 subpart unless the candidate has qualified to have the 9 candidate's name on the election ballot in the election for 10 which funds are sought.

(d) In no event shall any candidate or campaign treasurer
in receipt of <u>partial</u> public campaign funds transfer any portion
of [such] <u>those</u> funds to another candidate for any primary,
special primary, special, or general election campaign.

(e) All <u>partial</u> public funds received under this subpart
shall be deposited in a financial institution designated to do
business in the State. No expenditures of any <u>partial</u> public
funds received under this subpart shall be made except by checks
drawn on [such] <u>a</u> checking account. The commission may require
[such] reports relating to the expenditure of [such] <u>partial</u>
public funds as it considers appropriate.



H.B. NO. 765

43

(f) Each candidate, on the deadline for filing of a final
 report for any primary or general election, shall return all
 unexpended <u>partial</u> public funds to the Hawaii election campaign
 fund."

5 SECTION 12. Section 11-224, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "§11-224 Public funds; report required; return of funds. The campaign treasurer of [the] any candidate who receives 8 public funds under either the partial public funding program or 9 the comprehensive public funding for elections to the state 10 house of representatives shall produce evidence to the 11 commission no later than twenty days after a primary election 12 and no later than thirty days after a general election that all 13 14 public funds paid to the candidate have been used as required by 15 this subpart.

16 Should the commission determine that any part of the
17 <u>partial</u> public funds have been used for noncampaign or improper
18 expenses, it shall report [such] <u>its</u> finding to the attorney
19 general and shall order the candidate to return all or part of
20 the funds paid to that candidate for a primary or general
21 election. When <u>partial</u> public funds are returned, [they] <u>the</u>
22 <u>funds</u> shall be deposited in the Hawaii election campaign fund."



H.B. NO. 765

44

1 SECTION 13. Section 11-225, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending the title and subsection (a) to read: "§11-225 Public funds; examination and audit; payments[-]; 4 5 **penalties.** (a) Within sixty days after each general election, the commission shall conduct an examination and audit of all 6 7 public funds received by [the] any candidate [and of] who received public funds under either the partial public funding 8 9 program or the comprehensive public funding for elections to the 10 state house of representatives, including the campaign 11 contributions used for purposes of qualifying for public funding under [this subpart] subparts B and , and the campaign 12 13 expenses incurred by all candidates who received [payments] 14 public funding pursuant to [section 11-217.] subparts B and . " 15 2. By amending subsections (c), (d), (e), and (f) to read: 16

17 "(c) Should the commission determine that any <u>partial</u> 18 payment of public funds made to an eligible candidate pursuant 19 to section 11-221 was in excess of the aggregate amount of 20 payments to which [such] <u>the</u> candidate was entitled, the 21 commission shall notify [such] the candidate and [such] the



45

candidate shall pay to the Hawaii election campaign fund a sum
 equal to the amount of excess payment.

3 (d) If the commission determines that any amount of any
4 partial public funds made to a candidate under section 11-217
5 was used for any improper purpose, the commission shall so
6 notify the candidate, and the candidate shall pay to the fund an
7 amount equal to three hundred per cent of such amount.

8 (e) Any candidate who has received <u>partial</u> public funds 9 under section 11-217 and who is convicted of violating any 10 provision of this subpart shall, upon notification by the 11 commission, pay to the Hawaii election campaign fund the full 12 amount of public funds received by [<u>such</u>] <u>the</u> candidate.

13 (f) No notification shall be made by the commission under 14 subsection (c) with respect to the payment of excess <u>partial</u> 15 public funds more than two years after the payment of [such] the 16 funds."

SECTION 14. Section 11-228, Hawaii Revised Statutes, isamended as follows:

19 1. By amending subsection (a) to read:

"(a) 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 B or or



1	section 2	81-22 that shall provide for the assessment of an
2	administr	ative fine in the manner prescribed as follows:
3	(1)	If a natural person, an amount not to exceed \$1,000
4		for each occurrence or an amount equivalent to three
5		times the amount of an unlawful contribution or
6		expenditure, whichever is greater; or
7	(2)	If a corporation, organization, association, or labor
	(2)	
8		union, it shall be punished by a fine not exceeding
9		\$1,000 for each occurrence; and
10	(3)	Whenever a corporation, organization, association, or
11		labor union violates [this subpart,] <u>subpart B or</u>
12		the violation shall be deemed to be also that of the
13		individual directors, officers, or agents of the
14		corporation, organization, association, or labor
15		union, who have knowingly authorized, ordered, or done
16		any of the acts constituting the violation."
17	2.	By amending subsection (e) to read:
18	"(e)	Any person or the commission may sue for injunctive
19	relief to	compel compliance with [this subpart.] subparts B and
20		
21	SECT	ION 15. Section 11-229, Hawaii Revised Statutes, is
22	amended a	s follows:
	2007 0000	



Page 47

47

1 1. By amending subsections (a) and (b) to read: "(a) Any person who knowingly, intentionally, or 2 3 recklessly violates [any provision of this subpart] subpart B or shall be guilty of a misdemeanor. Any person who 4 5 knowingly or intentionally falsifies any report required by this subpart with the intent to circumvent the law or deceive the 6 commission or who violates section 11-201 or 11-202 shall be 7 8 guilty of a class C felony. A person charged with a class C 9 felony shall not be eligible for a deferred acceptance of guilty 10 plea or nolo contendere plea under chapter 853. A person who is 11 convicted under this section shall be disqualified from holding 12 elective public office for a period of four years from the date 13 of conviction.

14 (b) For <u>the purposes of prosecution for violation of [this</u>
15 <u>subpart,</u>] <u>subpart B or ,</u> the offices of the attorney general
16 and the prosecuting attorney of the respective counties shall be
17 deemed to have concurrent jurisdiction to be exercised as

18 follows:

19 (1) Prosecution shall commence with a written request from
20 the commission or upon the issuance of an order of the
21 court; provided that prosecution may commence prior to



H.B. NO. 765

1		any proceeding initiated by the commission or final
2		determination;
3	(2)	In the case of state offices, parties, or issues, the
4		attorney general or the prosecuting attorney for the
5		city and county of Honolulu shall prosecute any
6		violation; and
7	(3)	In the case of all other offices, parties, or issues,
8		the attorney general or the prosecuting attorney for
9		the respective county shall prosecute any violation.
10	In t	he commission's choice of prosecuting agency, it shall
11	be guided	by whether there will be any conflicting interest
12	between t	he agency and its appointive authority."
13	2.	By amending subsection (d) to read:
14	"(d)	Prosecution for violation of [any provision of this]
15	subpart <u>B</u>	or shall not be commenced after five years have
16	elapsed from the date of the violation or date of filing of the	
17	report covering the period in which the violation occurred,	
18	whichever	is later."
19	SECT	ION 16. Section 237-31, Hawaii Revised Statutes, is
20	amended t	o read as follows:
21	"§23	7-31 Remittances. All remittances of taxes imposed by
22	this chap	ter shall be made by money, bank draft, check,



H.B. NO. 765

49

1 cashier's check, money order, or certificate of deposit to the 2 office of the department of taxation to which the return was 3 transmitted. The department shall issue its receipts therefore 4 to the taxpayer and shall pay the moneys into the state treasury 5 as a state realization, to be kept and accounted for as provided 6 by law; provided that:

7 The sum from all general excise tax revenues realized (1)by the State that represents the difference between 8 \$90,000,000 and the proceeds from the sale of any 9 general obligation bonds authorized for that fiscal 10 11 year for the purposes of the state educational 12 facilities improvement special fund shall be deposited 13 in the state treasury in each fiscal year to the 14 credit of the state educational facilities improvement 15 special fund for public school capital improvement 16 program needs; [and]

17 (2) A sum, not to exceed \$5,000,000, from all general
18 excise tax revenues realized by the State shall be
19 deposited in the state treasury in each fiscal year to
20 the credit of the compound interest bond reserve
21 fund[-]; and



H.B. NO. 765

1	(3)	A sum, not to exceed \$2,000,000, from all general
2		excise tax revenues realized by the State shall be
3		deposited in the state treasury in each fiscal year to
4		the credit of the Hawaii election campaign fund."
5	SECT	ION 17. Section 523A-23.5, Hawaii Revised Statutes, is
6	amended b	y amending subsection (b) to read as follows:
7	"(b)	Moneys in the unclaimed property trust fund shall be
8	used for	the payment of the following:
9	(1)	Claims for the return of abandoned property to their
10		rightful owners;
11	(2)	Payment to other states' unclaimed property programs
12		for owners whose last known address was in that other
13		state;
14	(3)	Any costs incurred in connection with the sale of
15		abandoned property;
16	(4)	Costs of mailing and publication in connection with
17		any abandoned property;
18	(5)	Reasonable service charges;
19	(6)	Costs incurred in examining the records of holders of
20		property and in collecting such property from those
21		holders; [and]



H.B. NO. 765

51

1	(7) An annual appropriation of \$2,500,000 to the Hawaii
2	election campaign fund under section 11-217; and
3	[(7)] (8) Any other charges, costs, or expenses incurred in
4	the operation, administration, and enforcement of this
5	chapter."
6	SECTION 18. Act 304, Session Laws of Hawaii 2006, is
7	amended by amending section 4 to read as follows:
8	"SECTION 4. This Act shall take effect on July 1, 2006;
9	provided that on June 30, 2008, section 2 of this Act shall be
10	repealed and section 237-31, Hawaii Revised Statutes, is
11	reenacted in the form in which it read on the day before the
12	effective date of this $Act[-]$; provided that the repeal shall
13	not apply to any amendments made to section 237-31, Hawaii
14	Revised Statutes, pursuant to Act , Session Laws of Hawaii
15	<u>2007.</u> "
16	SECTION 19. There is appropriated out of the unclaimed
17	property trust fund established under section 523-A-23.5, Hawaii
18	Revised Statutes, the sum of \$2,500,000, or so much thereof as
19	maybe necessary for fiscal year 2007-2008, for deposit into the

Hawaii election campaign fund established under section 11-217,

21 Hawaii Revised Statutes.

20

2007-0888 HB SMA.doc

Page 51

H.B. NO.765

1	SECTI	ION 20. There is appropriated out of the Hawaii
2	election o	campaign fund the sum of \$200,000, or so much thereof
3	as may be	necessary for fiscal year 2006-2007, for the campaign
4	spending o	commission to provide three additional staff positions
5	and other	assistance to support comprehensive publicly funded
6	elections	for the state house of representatives as follows:
7	(1)	Two staff positions for computer analysis of campaign
8		contributions for auditing and monitoring and the
9		creation of an online digital filing system for
10	·	campaign spending reports for all candidates running
11		for state house of representatives;
12	(2)	One staff position to administer the comprehensive
13		public funding program; and
14	(3)	Funding for the office of elections, or its designate,
15		to verify the qualifying contributions from registered
16		voters in a candidate's district.
17	The s	sum appropriated shall be expended by the department of
18	accounting and general services for the purposes of this Act.	
19	SECTION 21. The campaign spending commission shall create	
20	and publish all forms and receipts required as well as a	
21	candidates' guide to the comprehensive public funding program	
22	that shall	l include an explanation of rules and procedures
		HB SMA.doc 52

H.B. NO. 765

53

1 applicable to candidates. In addition to the reports required 2 by section 11-210, Hawaii Revised Statutes, the campaign 3 spending commission shall establish and provide administrative 4 and staff support to an independent, nonpartisan review 5 committee to undertake a substantive review of the functioning 6 of the comprehensive public funding program established under 7 this Act following each election in which the comprehensive 8 public funding option is used. The review committee shall 9 report to the legislature no later than twenty days prior to the 10 convening of the next regular session following each election 11 when the comprehensive public funding option is made available: 12 (1)Suggesting amendments to this Act that may address the 13 need to improve equalizing public funding to match 14 independent expenditures and any excess expenditures 15 of publicly funded and nonparticipating candidates; 16 (2)Suggesting amendments to this Act that will extend 17 publicly funded campaigns to other state and county 18 elections; 19 (3) Providing a summary and evaluation of the commission's 20 activities and recommendations to enhance the 21 effective and timely administration and enforcement of 22 this Act; and



H.B. NO. 765

1 (4) Providing an examination of mechanisms for increasing revenues of the Hawaii election campaign fund, 2 including methods used in other states. 3 The legislative reference bureau shall assist the campaign 4 5 spending commission in drafting any proposed amendments to this 6 Act. SECTION 22. In codifying the new sections added by 7 section 2 of this Act, the revisor of statutes shall substitute 8 9 appropriate section numbers for the letters used in designating 10 the new sections, and shall insert the appropriate number of this Act in section 18 in this Act. 11 SECTION 23. If any provision of this Act, or the 12 application thereof to any person or circumstance is held 13 14 invalid, the invalidity does not affect other provisions or 15 applications of the Act, which can be given effect without the 16 invalid provision or application, and to this end the provisions of this Act are severable. 17 18 SECTION 24. Statutory material to be repealed is bracketed 19 and stricken. New statutory material is underscored. 20 SECTION 25. This Act shall take effect on July 1, 2007. 21 INTRODUCED BY: Kirld Caldwell



JAN 1 9" 2007

Report Title:

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Campaign Spending; Public Funding; House of Representatives

Description:

Creates comprehensive public funding for elections to the state house of representatives; establishes qualifications, limitations on funding and use of funds, reporting requirements, amends chapter 11, part XII, Hawaii Revised Statutes, to reflect changes.

