
A BILL FOR AN ACT

RELATING TO CAMPAIGN SPENDING.

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

1 SECTION 1. Chapter 11, Hawaii Revised Statutes, is amended
2 by adding a new section to part XII, subpart B, to be
3 appropriately designated and to read as follows:

4 "§11- Failure to file report; filing a substantially
5 defective or deficient report. (a) True and accurate reports
6 shall be filed with the commission on or before the due date
7 specified in this subpart. Any candidate committee that is
8 required to file reports under this subpart shall be subject to
9 the penalties in this section if the report is not filed by the
10 due date or the report is substantially defective or deficient,
11 as determined by the commission.

12 (b) The penalty for not filing a report by the due date
13 shall be \$50 per day for the first seven days, beginning with
14 the day after the due date of the report, and \$200 per day
15 thereafter, not to exceed twenty-five per cent of the total
16 amount of contributions or expenditures, whichever is greater,
17 for the period covered by the report; provided that the minimum



1 penalty for a report filed more than four days after the due
2 date shall be \$200. However, if a candidate committee does not
3 file the second preliminary primary report or the preliminary
4 general report or a noncandidate committee does not file the
5 preliminary primary report or the preliminary general report by
6 the due date, the fine shall be \$300 per day, not to exceed
7 twenty-five per cent of the total amount of contributions or
8 expenditures, whichever is greater, for the period covered by
9 the report; provided that the minimum penalty shall be \$300.

10 (c) If the commission determines that a report is
11 substantially defective or deficient, the commission shall
12 notify the candidate committee by first class mail that:

- 13 (1) The report is substantially defective or deficient;
14 and
15 (2) A penalty may be assessed.

16 (d) If the corrected report is not filed with the
17 commission's electronic filing system on or before the
18 fourteenth day after the notice of deficiency has been mailed,
19 the penalty for a substantially defective or deficient report
20 shall be \$50 per day for the first seven days, beginning with
21 the fifteenth day after the notice was sent, and \$200 per day
22 thereafter, not to exceed twenty-five per cent of the total



1 amount of contributions or expenditures, whichever is greater,
2 for the period covered by the report; provided that the minimum
3 penalty for not filing a corrected report more than eighteen
4 days after the notice was sent shall be \$200.

5 (e) The commission shall publish on its website the names
6 of all candidate committees who failed to file a report or to
7 correct a report within the time allowed by the commission.

8 (f) All penalties collected under this section shall be
9 deposited into the general fund."

10 SECTION 2. Section 11-193, Hawaii Revised Statutes, is
11 amended by amending subsection (a) to read as follows:

12 "(a) The duties of the commission under this subpart are:

13 (1) To develop and adopt reporting forms required by this
14 subpart;

15 (2) To adopt and publish a manual for all candidates and
16 committees, describing the requirements of this
17 subpart, including uniform and simple methods of
18 recordkeeping;

19 (3) To preserve all reports required by this subpart for
20 at least ten years from the date of receipt;

21 (4) To permit the inspection, copying, or duplicating of
22 any report required by this subpart pursuant to rules



1 adopted by the commission; provided that no
2 information or copies from the reports shall be sold
3 or used by any person for the purpose of soliciting
4 contributions or for any commercial purpose;

- 5 (5) To ascertain whether any candidate, committee, or
6 party has failed to file a report required by this
7 subpart or has filed a substantially defective or
8 deficient report, and to notify these persons by first
9 class mail that their failure to file or filing of a
10 substantially defective or deficient report must be
11 corrected and explained. The correction or
12 explanation shall be submitted in writing to the
13 commission not later than 4:30 p.m. on the fifth day
14 after notification of the failure to file or
15 deficiency has been mailed to these persons. The
16 commission shall publish in the newspaper, and on its
17 website, the names of all candidates, committees, and
18 parties who have failed to file a report or to correct
19 their deficiency within the time allowed by the
20 commission. Failure to file or correct a report when
21 due, as required by this subpart, shall result in a
22 penalty of \$50. Failure to respond after a newspaper



1 notification or website publication shall result in an
2 additional penalty of \$50 for each day a report
3 remains overdue or uncorrected. All penalties
4 collected under this section shall be deposited in the
5 ~~[Hawaii election campaign fund,]~~ general fund of the
6 State;

7 (6) To hold public hearings;

8 (7) To investigate and hold hearings for receiving
9 evidence of any violations;

10 (8) To adopt a code of fair campaign practices as a part
11 of its rules;

12 (9) To establish rules pursuant to chapter 91;

13 (10) To request the initiation of prosecution for the
14 violation of this subpart pursuant to section 11-229;

15 (11) To administer and monitor the distribution of public
16 funds under this subpart;

17 (12) To suggest accounting methods for candidates, parties,
18 and committees, as the commission may deem advisable,
19 in connection with reports and records required by
20 this subpart;

21 (13) To employ or contract, without regard to chapters 76
22 and 89 and section 28-8.3, and, at pleasure, to



1 dismiss persons it finds necessary for the performance
2 of its functions, including a full-time executive
3 director, and to fix their compensation;

4 (14) To do random audits[?] and field investigations, as
5 necessary;

6 (15) To file for injunctive relief when indicated; and

7 (16) To render advisory opinions upon the request of any
8 candidate, candidate committee, noncandidate
9 committee, or other person or entity subject to this
10 chapter, as to whether the facts and circumstances of
11 a particular case constitute or will constitute a
12 violation of the campaign spending laws. If no
13 advisory opinion is rendered within ninety days after
14 all information necessary to issue an opinion has been
15 obtained, it shall be deemed that an advisory opinion
16 was rendered and that the facts and circumstances of
17 that particular case do not constitute a violation of
18 the campaign spending laws. The opinion rendered or
19 deemed rendered, until amended or revoked, shall be
20 binding on the commission in any subsequent charges
21 concerning the candidate, candidate committee,
22 noncandidate committee, or other person or entity



1 subject to this chapter, who sought the opinion and
2 acted in reliance on it in good faith, unless material
3 facts were omitted or misstated by the persons in the
4 request for an advisory opinion."

5 SECTION 3. Section 11-216, Hawaii Revised Statutes, is
6 amended by amending subsection (f) to read as follows:

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

- 11 (1) The return of any contribution;
- 12 (2) The reimbursement of any unauthorized expenditure;
- 13 (3) The payment of any administrative fine payable to the
14 ~~[Hawaii election campaign fund;]~~ general fund of the
15 State;
- 16 (4) Cease and desist violation of this subpart; or
- 17 (5) File any report, statement, or other information as
18 required by this subpart."

19 SECTION 4. Section 11-228, Hawaii Revised Statutes, is
20 amended by amending subsection (d) to read as follows:



1 "(d) Any administrative fine collected by the commission
2 shall be deposited [~~in the Hawaii election campaign fund.~~] into
3 the general fund of the State of Hawaii."

4 SECTION 5. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 6. This Act shall take effect upon its approval.



Report Title:

Campaign Spending; Penalties; Administrative Fines

Description:

Establishes penalties for failing to file and for filing substantially defective or deficient campaign spending reports. Provides for deposit of collected fines and penalties into the state general fund. (SB2579 SD2)

