July 15, 2009

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fifth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

I am transmitting herewith HB128 HD1 SD1 CD2, without my approval, and with the statement of objections relating to the measure.

HB128 HD1 SD1 CD2
A BILL FOR AN ACT
RELATING TO ELECTIONS.

Sincerely,

LINDA LINGLE
STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 128

Honorable Members
Twenty-Fifth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 128, entitled "A Bill for an Act Relating to Elections."

The primary purpose of this bill is to repeal and recodify, update, and clarify Chapter 11 of Hawaii Revised Statutes, the campaign spending laws. However, this bill also makes certain significant substantive amendments to the current law.

This bill is objectionable for several reasons. First, this bill changes the process for filling vacancies on the Campaign Spending Commission by significantly reducing the number of nominees. Rather than making a selection from the original list of ten individuals, as presently provided for in section 11-192, Hawaii Revised Statutes, the Governor will be required to select from only two names submitted by the Judicial Council.

Second, this bill narrows the prohibition on contributions by State and county contractors presently specified in section 11-205.5, Hawaii Revised Statutes, to only those contractors that are exempt from competitive bid solicitations pursuant to chapters 102, 103, 103D, and 103F, Hawaii Revised Statutes. The bill further indicates that State and county contractors who are selected via a "competitive
solicitation process" will be allowed to make political contributions, but fails to define this term, which is not defined in State procurement statutes.

Third, this bill increases the limit on campaign contributions by nonresidents from the twenty percent presently specified in section 11-204.5, Hawaii Revised Statutes, to thirty percent of the total contributions received by a candidate or candidate committee in an election period, allowing more non-Hawaii entities to influence local elections.

Finally, this bill allows surplus or residual campaign funds to be contributed by a candidate to the candidate's party as long as they are not earmarked for another candidate. This means donors who contributed funds to a specific candidate because they supported and admired the opinions of that candidate, may see their funds diverted to a political party that may or may not reflect their views and philosophy.

These types of significant changes in our campaign finance laws should be carefully and thoroughly discussed before they become part of the manner in which we finance political campaigns in this state.

For the foregoing reasons, I am returning House Bill No. 128 without my approval.

Respectfully,

LINDA LINGLE
Governor of Hawaii
A BILL FOR AN ACT

RELATING TO ELECTIONS.

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

PART I

SECTION 1. This Act updates, organizes, and clarifies current campaign finance laws.

The laws have their genesis in Act 185, Session Laws of Hawaii 1973. Over the past thirty-five years, numerous amendments have been made to the campaign finance laws in a piecemeal fashion and, apparently, with little regard to the laws as a whole. The resulting laws are unorganized, difficult to read, and inconsistent in some areas. The current campaign finance laws are codified in part XII, subpart B of chapter 11, Hawaii Revised Statutes.

This Act organizes the campaign finance laws into a new part of chapter 11, with ten subparts. Long and involved sections are divided into shorter sections with clear titles for quick reference. All the laws on one subject are grouped together, in contrast to current campaign finance laws that require a reader to search through the entire subpart for laws that may apply to that one subject.
This Act is a product of the campaign spending commission's blue ribbon recodification committee (committee). The committee completed its work in 2008 after meeting regularly for nine months. The committee comprised the commission's staff and seventeen attorneys who were experienced in campaign finance law and who represented various interests.

The purpose of this Act is to update, organize, and clarify current campaign finance laws and make minor substantive changes to the current laws.

PART II

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

"PART . CAMPAIGN FINANCE

A. Definitions

§11-A Definitions. When used in this part:

"Advertisement" means any communication, excluding sundry items, including bumper stickers, that:

(1) Identifies a candidate directly or by implication, or identifies an issue or question that will appear on the ballot at the next applicable election; and
(2) Advocates or supports the nomination, opposition, or
election of the candidate, or advocates the passage or
defeat of the issue or question on the ballot.

"Ballot issue committee" means a noncandidate committee
that has the exclusive purpose of making or receiving
contributions, making expenditures, or incurring financial
obligations for or against any question or issue appearing on
the ballot at the next applicable election.

"Campaign funds" means contributions, interest, rebates,
refunds, loans, or advances received by a candidate committee or
noncandidate committee.

"Candidate" means an individual who seeks nomination for
election or seeks election to office. An individual remains a
candidate until the individual's candidate committee terminates
registration with the commission. An individual is a candidate
if the individual does any of the following:

(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;

(2) Receives contributions, makes expenditures, or incurs
financial obligations of more than $100 to bring about
the individual's nomination for election, or to bring about the individual's election to office;

(3) Gives consent for any other person to receive contributions, make expenditures, or incur financial obligations to aid the individual's nomination for election, or the individual's election, to office; or

(4) Is certified to be a candidate by the chief election officer or county clerk.

"Candidate committee" means an organization, association, or individual that receives campaign funds, makes expenditures, or incurs financial obligations on behalf of a candidate with the candidate's authorization.

"Clearly identified" means the name, photograph or other similar image, or other unambiguous identification of a candidate.

"Commission" means the campaign spending commission.

"Commissioner" means any person appointed to the commission.

"Contribution" means:

(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:

(A) Influencing the nomination for election, or the election, of any person to office;

(B) Influencing the outcome of any question or issue that has been certified to appear on the ballot at the next applicable election referenced in subparagraph (A); or

(C) Use by any candidate committee or noncandidate committee for the purpose of subparagraph (A) or (B);

(2) The payment, by any person or party other than a candidate, candidate committee, or noncandidate committee, of compensation for the services of another person that are rendered to the candidate, candidate committee, or noncandidate committee without charge or at an unreasonably low charge for a purpose listed in paragraph (1);

(3) A contract, promise, or agreement to make a contribution; or
(4) Any loans or advances that are not documented or disclosed to the commission as provided in section 11-QQ;

provided that contribution does not include:

(1) Services voluntarily provided without compensation by individuals to or on behalf of a candidate, candidate committee, or noncandidate committee;

(2) A candidate's expenditure of the candidate's own funds; provided that this expenditure shall be reportable as other receipts;

(3) Any loans or advances to the candidate committee; provided that these loans or advances shall be reportable as other receipts; or

(4) An individual or candidate committee or noncandidate committee engaging in internet activities for the purpose of influencing an election if:

(A) The individual, candidate committee, or noncandidate committee is uncompensated for the internet activities; or

(B) The individual, candidate committee, or noncandidate committee uses equipment or services
for uncompensated internet activities, regardless
of who owns the equipment and services.

"Earmarked funds" means contributions received by a
candidate committee or noncandidate committee on the condition
that the funds be contributed to or expended on certain
candidates, issues, or questions.

"Election" means any election for office or for determining
a question or issue provided by law or ordinance.

"Election period" means:

(1) The two-year time period between the day after the
general election through the day of the next general
election if a candidate is seeking nomination or
election to a two-year office; or

(2) The four-year time period between the day after the
general election through the day of the next general
election if a candidate is seeking nomination or
election to a four-year office.

"Equipment and services" includes computers, software,
internet domain names, internet service providers, and any other
technology that is used to provide access to or use of the
Internet.
"Expenditure" means:

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:

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

(B) Influencing the outcome of any question or issue that has been certified to appear on the ballot at the next applicable election; or

(C) Use by any party for the purposes set out in subparagraph (A) or (B);

2. Any payment, by any person other than a candidate, candidate committee, or noncandidate committee, of compensation for the services of another person that are rendered to the candidate, candidate committee, or noncandidate committee for any of the purposes mentioned in paragraph (1)(A); provided that payment
under this paragraph shall include provision of services without charge; or

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

"Expenditure" does not include:

(1) Services voluntarily provided without compensation by individuals to or on behalf of a candidate, candidate committee, or noncandidate committee;

(2) Voter registration efforts that are nonpartisan; or

(3) An individual, candidate committee, or noncandidate committee engaging in internet activities for the purpose of influencing an election if:

(A) The individual, candidate committee, or noncandidate committee is uncompensated for internet activities; or

(B) The individual, candidate committee, or noncandidate committee uses equipment or services for uncompensated internet activities, regardless of who owns the equipment and services;

provided that the internet activity does not apply to:

(i) Any payment for an advertisement other than a nominal fee;
(ii) The purchase or rental of an e-mail address list made at the direction of a candidate committee or noncandidate committee; or

(iii) An e-mail address list that is transferred to a candidate committee or noncandidate committee.

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

"Immediate family" means a candidate's spouse or reciprocal beneficiary, as defined in section 572C-3, and any child, parent, grandparent, brother, or sister of the candidate, and the spouses or reciprocal beneficiaries of such persons.

"Independent expenditure" means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate that is not made in concert or cooperation with or at the request or suggestion of the candidate, the candidate committee, a party, or their agents.

"Individual" means a human being.

"Internet activities" includes:

(1) Sending or forwarding electronic messages;
(2) Providing a hyperlink or other direct access to another person's website;

(3) Blogging;

(4) Creating, maintaining, or hosting a website;

(5) Paying a nominal fee for the use of another person's website; and

(6) Any other form of communication distributed over the Internet.

"Limited liability company" means a business entity that is recognized as a limited liability company under the laws of the state in which it is established.

"Loan" means an advance of money, goods, or services, with a promise to repay in full or in part within a specified period of time. A loan does not include expenditures made on behalf of a candidate committee or noncandidate committee by a candidate, volunteer, or employee if:

(1) A candidate, volunteer, or employee's aggregate expenditures do not exceed $1,500 within a thirty-day period;

(2) A dated receipt and a written description of the name and address of each payee; provided that the amount, date, and purpose of each expenditure is provided to
the candidate committee or noncandidate committee
before the candidate committee or noncandidate
committee reimburses the candidate, volunteer, or
employee; and
(3) The candidate committee or noncandidate committee
reimburses the candidate, volunteer, or employee
within forty-five days of the expenditure being made.

"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 an organization,
association, party, or individual that has the purpose of making
or receiving contributions, making expenditures, or incurring
financial obligations to influence the nomination for election,
or the election, of any candidate to office, or for or against
any question or issue on the ballot; provided that a
noncandidate committee does not include:
(1) A candidate committee;
(2) Any individual making a contribution or making an
expenditure of the individual's own funds or anything
of value that the individual originally acquired for
the individual's own use and not for the purpose of evading any provision of this part; or

(3) Any organization that raises or expends funds for the sole purpose of producing and disseminating informational or educational communications that are not made to influence the outcome of an election, question, or issue on a ballot.

"Office" means any Hawaii elective public or constitutional office, excluding county neighborhood board and federal elective offices.

"Other receipts" means the candidate's own funds, interest, rebates, refunds, loans, or advances, and any other funds received by a candidate committee or noncandidate committee, but does not include contributions received from other persons.

"Party" means any political party that satisfies the requirements of section 11-61.

"Person" means an individual, partnership, candidate committee or noncandidate committee, party, association, corporation, business entity, organization, or labor union and its auxiliary committees.

"Political committees established and maintained by a national political party" means:
(1) The National Committee;
(2) The House Campaign Committee; and
(3) The Senate Committee.

"Qualifying contribution" means an aggregate monetary contribution of $100 or less by an individual Hawaii resident during a matching payment period that is received after a candidate files a statement of intent to seek public funds. A qualifying contribution does not include a loan, in-kind contribution, or the candidate's own funds.

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

"Treasurer" means a person appointed under section 11-L and unless expressly indicated otherwise, includes deputy treasurers.

B. Campaign Spending Commission

§11-B Campaign spending commission established; composition. (a) There is established a campaign spending commission, which shall be placed within the department of accounting and general services for administrative purposes.

(b) The commission shall consist of five members representing the general public, appointed by the governor from a list of ten nominees submitted by the judicial council. A
vacancy on the commission shall be filled by the appointment of
one of two persons nominated by the judicial council, or by the
reappointment of a commissioner whose term has expired, subject
to the limit on length of service imposed by section 26-34.
Notwithstanding section 26-34, appointments to the commission
shall not be subject to senatorial confirmation.

(c) The judicial council may solicit applications for the
list of nominees through community organizations and
advertisements in any newspaper.

§11-C Terms of office. The term of each commissioner
shall be four years.

§11-D No compensation. The commissioners shall serve
without compensation but shall be reimbursed for reasonable
expenses, including travel expenses, incurred in the discharge
of their duties.

§11-E Duties of the commission. The duties of the
commission under this part are to:

(1) Develop and adopt forms required by this part;
(2) Adopt and publish a manual for all candidates,
candidate committees, and noncandidate committees,
descending the requirements of this part, including
uniform and simple methods of recordkeeping;
(3) Preserve all reports required by this part for at least ten years from the date of receipt;

(4) Permit the inspection, copying, or duplicating of any report required by this part pursuant to rules adopted under chapter 91 by the commission; provided that this paragraph shall not apply to the sale or use of information under section 11-AA;

(5) Ascertain whether any candidate, candidate committee, or noncandidate committee, or party has failed to file a report required by this part or has filed a substantially defective or deficient report, and to notify these persons by first class mail that the failure to file, or the filing of a substantially defective or deficient report shall be corrected and explained, and that a fine may be assessed. All fines collected under this section shall be deposited in the general fund of the State;

(6) Hold public hearings;

(7) Investigate and hold hearings for receiving evidence of any violations pursuant to subpart I of this part;

(8) Adopt rules pursuant to chapter 91;
(9) Request the initiation of prosecution for the violation of this part pursuant to section 11-III;

(10) Administer and monitor the distribution of public funds under this part;

(11) Suggest accounting methods for candidates, candidate committees, or noncandidate committees in connection with reports and records required by this part;

(12) Employ or contract, without regard to chapters 76, 78, and 89, persons it finds necessary for the performance of its functions, including a full-time executive director, and to fix their compensation and to dismiss such persons;

(13) Conduct random audits and field investigations, as necessary; and

(14) File for injunctive relief when indicated.

§11-F Advisory opinions. The commission may render written advisory opinions upon the request of any candidate, candidate committee, noncandidate committee, or other person or entity subject to this part, as to whether the facts and circumstances of a particular case constitute or will constitute a violation of the spending laws. If no advisory opinion is rendered within ninety days after all information necessary to
issue an opinion has been obtained, it shall be deemed that an advisory opinion was rendered and that the facts and circumstances of that particular case do not constitute a violation of the spending laws. The opinion rendered or deemed rendered, until amended or revoked, shall be binding on the commission in any subsequent charges concerning the candidate, any candidate committee or noncandidate committee, or other person or entity subject to this part, who sought the opinion and acted in reliance on it in good faith, unless material facts were omitted or misstated by the persons in the request for an advisory opinion. Nothing in this section shall be construed to allow the commission to issue rules through an advisory opinion.

§11-G Political activities prohibited. (a) Each commissioner and employee of the commission shall not participate in any political campaign, including making a contribution to a candidate, candidate committee, or noncandidate committee, during the commissioner's term of office or employee's term of employment.

(b) Each commissioner and employee of the commission shall retain the right to:

(1) Register and vote 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 that does not materially compromise the commissioner's or the employee's efficiency or integrity as a commissioner or employee or the neutrality, efficiency, or integrity of the commission.

(c) Any commissioner or employee of the commission 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-H Exemptions. (a) The commission shall be exempt from section 26-35(a)(1), (4), and (5) and shall:

(1) Make direct communications with the governor and legislature;

(2) Make all decisions regarding employment, appointment, promotion, transfer, demotion, discharge, and job
descriptions of all officers and employees of or under
the jurisdiction of the commission without the
approval of the comptroller; and
(3) Purchase all supplies, equipment, or furniture without
the approval of the comptroller.
(b) The commission shall follow all applicable personnel
laws.

C. Registration
§11-I Registration of candidate committee or noncandidate
committee. (a) Each candidate committee or noncandidate
committee shall register with the commission by filing an
organizational report as set forth in section 11-J or 11-K, as
applicable.
(b) Before filing the organizational report, each
candidate committee or noncandidate committee shall mail or
deliver an electronic filing form to the commission.
(c) The form shall include a written acceptance of
appointment and certification of each report, as follows:
(1) A candidate committee shall file a written acceptance
of appointment by the chairperson and treasurer and a
certification by the candidate and treasurer of each
filed report; or
(2) A noncandidate committee shall file a written acceptance of appointment by the chairperson and treasurer and a certification by the chairperson and treasurer of each filed report.

(d) The organizational report for a candidate committee shall be filed within ten days of the earlier of:

(1) The date the candidate files nomination papers for office; or

(2) The date the candidate or candidate committee receives contributions or makes or incurs expenditures of more than $100 in the aggregate during the applicable election period.

(e) An organizational report need not be filed under this section by an elected official who is a candidate for reelection to the same office in successive elections and has not sought election to any other office during the period between elections, unless the candidate is required to report a change in information pursuant to section 11-J.

(f) A candidate shall have only one candidate committee.

(g) The organizational report for a noncandidate committee shall be filed within ten days of receiving contributions or making or incurring expenditures of more than $1,000, in the
aggregate, in a two-year election period; provided that within
the thirty-day period prior to an election, a noncandidate
committee shall register by filing an organizational report
within two days of receiving contributions or making or
incurring expenditures of more than $1,000, in the aggregate, in
a two-year election period.

§11-J Organizational report, candidate committee. (a)
The candidate committee organizational report shall include:
(1) The committee's name and address, including web page
    address, if any;
(2) The candidate's name, address, and telephone number;
(3) The office being sought by the candidate, district,
    and party affiliation;
(4) The chairperson's name and address and, if appointed,
    the deputy chairperson's name and address;
(5) The treasurer's name and address and, if appointed,
    all deputy treasurers' names and addresses;
(6) The name and address of each depository institution in
    which the committee will maintain any of its accounts
    and the applicable account number;
(7) A certification of statements in the report by the
candidate and treasurer; and
(8) The name and address of each contributor who
contributed an aggregate amount of more than $100
since the last election applicable to the office being
sought and the amount and date of deposit of each such
contribution.

(b) Any change in information previously reported in the
organizational report with the exception of subsection (a)(8)
shall be electronically filed with the commission within ten
days of the change being brought to the attention of the
committee chairperson or treasurer.

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

(1) The committee's name, which shall 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. The
committee's name shall not include the name of a
candidate;

(2) The committee's address, including web page address,
if any;

(3) The area, scope, or jurisdiction of the committee;
(4) The name and address of the committee's sponsoring entity. If the committee does not have a sponsoring entity, the committee shall specify the trade, profession, or primary interest of contributors to the committee;

(5) The name, address, telephone number, occupation, and principal place of business of the chairperson;

(6) The name, address, telephone number, occupation, and principal place of business of the treasurer and any other officers;

(7) An indication as to whether the committee was formed to support or oppose a specific ballot question or candidate and, if so, a brief description of the question or the name of the candidate;

(8) An indication as to whether the committee is a political party committee;

(9) The name, address, telephone number, occupation, and principal place of business of the custodian of the books and accounts;

(10) The name and address of the depository institution in which the committee will maintain its campaign account and each applicable account number;
(11) A certification of statements in the report by the chairperson and treasurer; and

(12) The name, address, employer and occupation of each contributor who contributed an aggregate amount of more than $100 since the last election and the amount and date of deposit of each such contribution.

(b) Any change in information previously reported in the organizational report, with the exception of subsection (a)(12), shall be electronically filed with the commission within ten days of the change being brought to the attention of the committee chairperson or treasurer.

§11-L Treasurer. (a) Every candidate committee or noncandidate committee shall appoint a treasurer on or before the day it files an organizational report. The following shall be permissible:

(1) Up to five deputy treasurers may be appointed;

(2) A candidate may be appointed as the treasurer or deputy treasurer; and

(3) An individual who is not an officer or treasurer may be appointed by the candidate, on a fee or voluntary basis, to specifically prepare and file reports with the commission.
(b) A treasurer may be removed at any time.

(c) In case of death, resignation, or removal of the treasurer, the candidate, candidate committee, or noncandidate committee shall promptly appoint a successor. During the period the office of treasurer is vacant, the candidate, candidate committee, or chairperson, or party chairperson, whichever is applicable, shall serve as treasurer.

(d) Only the treasurer and deputy treasurers shall be authorized to receive contributions or make or incur expenditures on behalf of the candidate committee or noncandidate committee.

(e) The treasurer shall establish and maintain itemized records showing:

(1) The amount of each monetary contribution;

(2) The description and value of each nonmonetary contribution; and

(3) The name and address of each contributor making a contribution of more than $25 in value.

(f) The treasurer shall maintain detailed accounts, bills, receipts, and other records to establish that reports were properly prepared and filed.
(g) The records shall be retained for at least five years after the report is filed.

§11-M When an individual not to serve as a committee officer. No candidate committee or noncandidate committee that supports or opposes a candidate shall have an officer who serves as an officer on any other candidate committee or noncandidate committee that supports or opposes the same candidate.

§11-N Termination of candidate committee's or noncandidate committee's registration. A candidate committee or noncandidate committee may terminate its registration if:

(1) The candidate committee or noncandidate committee:

(A) Files a request for registration termination form;

(B) Files a report disclosing contributions and expenditures not previously reported by the committee and the committee has no surplus or deficit; and

(C) Mails or delivers to the commission a copy of the committee's closing bank statement; and

(2) The request is approved by the commission.
D. Reporting and Filing with the Commission

§11-O Filing of reports, generally. (a) Every report required to be filed by a candidate or candidate committee shall be certified by the candidate and treasurer.

(b) Every report required to be filed by a noncandidate committee shall be certified by the chairperson and treasurer.

(c) All reports required to be filed under this part shall be filed on the commission's electronic filing system.

(d) For purposes of this part, whenever a report is required to be filed with the commission, "filed" means that a report shall be filed with the commission's electronic filing system by the date and time specified for the filing of the report by:

   (1) The candidate or candidate committee of a candidate who is seeking election to the:

       (A) Office of governor;

       (B) Office of lieutenant governor;

       (C) Office of mayor;

       (D) Office of prosecuting attorney;

       (E) County council;

       (F) Senate;

       (G) House of representatives;
(H) Office of Hawaiian affairs; or

(I) Board of education; or

(2) A noncandidate committee required to be registered

with the commission pursuant to section 11-K.

(e) In order to be timely filed, a committee's reports

shall be filed with the commission's electronic filing system on

or before 11:59 p.m. Hawaii Standard Time on the filing date

specified.

(f) All reports filed under this part are public records.

§11-P Candidate committee reports. (a) The candidate and

treasurer shall file preliminary, final, and supplemental

reports that shall disclose the following information:

(1) The candidate committee's name and address;

(2) The cash on hand at the beginning of the reporting

period and election period;

(3) The reporting period and election period aggregate

total for each of the following categories:

(A) Contributions;

(B) Expenditures;

(C) Other receipts; and

(D) Loans;
(4) The cash on hand at the end of the reporting period; and
(5) The surplus or deficit at the end of the reporting period.
(b) Schedules filed with the reports shall include the following additional information:

(1) The amount and date of deposit of each contribution and the name and address of each contributor who makes contributions aggregating more than $100 in an election period; provided that if all the information is not on file, the contribution shall be returned to the contributor within thirty days of deposit;

(2) The amount and date of deposit of each contribution and the name, address, occupation, and employer of each contributor who makes contributions aggregating $1,000 or more during an election period; provided that if all the information is not on file, the contribution shall be returned to the contributor within thirty days of deposit;

(3) All expenditures, including the name and address of each payee and the amount, date, and purpose of each expenditure. Expenditures for consultants,
advertising agencies and similar firms, credit card payments, salaries, and candidate reimbursements shall be itemized to permit a reasonable person to determine the ultimate intended recipient of the expenditure and its purpose;

(4) The amount, date of deposit, and description of other receipts and the name and address of the source of each of the other receipts;

(5) Information about each loan received by the committee, together with the names and addresses of the lender and each person liable directly, and amount of each loan. A copy of the executed loan document shall be received by the commission by mail or delivery on or before the filing date for the report covering the reporting period when the loan was received. The document shall contain the terms of the loan, including the interest and repayment schedule. Failure to disclose the loan or to provide documentation of the loan to the commission shall cause the loan to be treated as a contribution, subject to all relevant provisions of this chapter;
(6) A description of each durable asset, the date of
acquisition, value at the time of acquisition, and the
name and address of the vendor or contributor of the
asset; and

(7) The date of disposition of each durable asset, value
at the time of disposition, the method of disposition,
and the name and address of the person receiving the
asset.

(c) The candidate committee shall file a late contribution
report as provided in section 11-U if the committee receives
late contributions from any person aggregating more than $500.

§11-Q Time for candidate committee to file preliminary,
final, and supplemental reports. (a) The candidate and
treasurer of each candidate whose name will appear on the ballot
in the immediately succeeding election shall file preliminary,
final, and supplemental reports.

(1) The filing dates for preliminary reports are:

(A) July 31 of the election year;

(B) Ten calendar days prior to a primary, each
special, or each nonpartisan election; and

(C) Ten calendar days prior to a general election;

provided that this preliminary report does not
need to be filed by a candidate who is unsuccessful in a primary, special, or nonpartisan election or a candidate who is elected to office in the primary, initial special, or initial nonpartisan election.

Each preliminary report shall be current through June 30 for the report filed on July 31 and current through the fifth calendar day before the filing deadline of other preliminary reports.

(2) The filing date for the final primary report is twenty calendar days after a primary, initial special, or initial nonpartisan election. The report shall be current through the day of the applicable election.

(3) The filing date for the final election period report is thirty calendar days after a general, subsequent, subsequent special, or subsequent nonpartisan election. The report shall be current through the day of the applicable election. The final election period report shall be filed by a candidate who is unsuccessful in a primary, initial special, or initial nonpartisan election or a candidate who is elected to
office in the primary, initial special, or initial nonpartisan election.

(4) The filing dates for supplemental reports are:

(A) January 31 after an election year; and
(B) July 31 after an election year.

The report shall be current through December 31 for the report filed on January 31 and current through June 30 for the report filed on July 31.

(b) A candidate with a deficit or surplus whose name will not appear on the ballot in the immediately succeeding election shall file a supplemental report every six months on January 31 and July 31 until:

(1) The candidate's name appears on the ballot and then is subject to the reporting requirements in subsection (a); or
(2) The committee's registration is terminated as provided in section 11-N.

The report shall be current through December 31 for the report filed on January 31 and current through June 30 for the report filed on July 31.
(c) A candidate shall continue to file all reports until the committee's registration is terminated as provided in section 11-N.

§11-R Noncandidate committee reports. (a) The authorized person in the case of a party, or treasurer in the case of a noncandidate committee that is not a party, shall file preliminary, final, and supplemental reports that disclose the following information:

(1) The noncandidate committee's name and address;
(2) The cash on hand at the beginning of the reporting period and election period;
(3) The reporting period and election period aggregate total for each of the following categories:
   (A) Contributions;
   (B) Expenditures; and
   (C) Other receipts;
(4) The cash on hand at the end of the reporting period; and
(5) The surplus or deficit at the end of the reporting period.

(b) Schedules filed with the reports shall include the following additional information:
(1) The amount and date of deposit of each contribution and the name, address, occupation, and employer of each contributor making a contribution aggregating more than $100 during an election period, which was not previously reported; provided that if all the information is not on file, the contribution shall be returned to the contributor within thirty days of deposit;

(2) All expenditures, including the name and address of each payee and the amount, date, and purpose of each expenditure. Expenditures for consultants, advertising agencies and similar firms, credit card payments, salaries, and candidate reimbursements shall be itemized to permit a reasonable person to determine the ultimate intended recipient of the expenditure and its purpose;

(3) The amount, date of deposit, and description of other receipts and the name and address of the source of each of the other receipts;

(4) A description of each durable asset, the date of acquisition, value at the time of acquisition, and the
name and address of the vendor or contributor of the asset; and

(5) The date of disposition of a durable asset, value at the time of disposition, method of disposition, and name and address of the person receiving the asset.

(c) No loan may be made or received by a noncandidate committee.

(d) The authorized person in the case of a party, or treasurer in the case of a committee shall file a late contribution report as provided in section 11-U if the committee receives late contributions from any person aggregating more than $500 or makes late contributions aggregating more than $500.

§11-S Time for noncandidate committee to file preliminary, final, and supplemental reports. (a) The filing dates for preliminary reports are:

(1) Ten calendar days prior to a primary, special, or nonpartisan election; and

(2) Ten calendar days prior to a general election.

Each preliminary report shall be current through the fifth calendar day prior to the filing of the report.
(b) The filing date for the final primary report is twenty calendar days after the primary, initial special, or initial nonpartisan election. The report shall be current through the day of the applicable election.

(c) The filing date for the final election period report is thirty calendar days after a general, subsequent special, or subsequent nonpartisan election. The report shall be current through the day of the applicable election.

(d) The filing dates for supplemental reports are:

1. January 31 after an election year; and
2. July 31 after an election year.

The report shall be current through December 31 for the report filed on January 31 and current through June 30 for the report filed on July 31.

(e) The authorized person in the case of a party, or treasurer in the case of a committee, shall continue to file all reports until the committee's registration is terminated as provided in section 11-N.

§11-T Reporting expenditures. For the purposes of this part, an expenditure is deemed to be made or incurred when the services are rendered or the product is delivered. Services rendered or products delivered for use during a reporting period
are deemed delivered or rendered during the period or periods of use; provided that these expenditures shall be reasonably allocated between periods in accordance with the time the services or products are actually used.

§11-U Late contributions; report. (a) The candidate, authorized person in the case of a noncandidate committee that is a party, or treasurer in the case of a candidate committee or other noncandidate committee, that within the period of fourteen calendar days through four calendar days prior to any election, makes contributions aggregating more than $500, or receives contributions from any person aggregating more than $500, shall file a late contribution report by means of the commission's electronic filing system on or before the third calendar day prior to the election.

(b) The late contribution report shall include the following information:

(1) Name, address, occupation, and employer of the contributor;

(2) Name of the candidate, candidate committee, or noncandidate committee making or receiving the contribution;

(3) The amount of the contribution;
(4) The contributor's aggregate contributions to the candidate, candidate committee, or noncandidate committee; and

(5) The purpose, if any, to which the contribution will be applied.

(c) A late contribution report filed pursuant to this section shall be in addition to any other report required to be filed by this part.

§11-V Final election period report for candidate committee or noncandidate committee receiving and expending $1,000 or less during the election period. (a) Any provision of law to the contrary notwithstanding, a candidate committee or noncandidate committee whose aggregate contributions and aggregate expenditures for the election period total $1,000 or less, shall electronically file only a final election period report, and need not file a preliminary and final primary report, a preliminary and final general report, or a special election report.

(b) Until the candidate committee's or noncandidate committee's registration is terminated as provided in section 11-N, supplemental reports and other reports required by this part shall be filed.
§11-W Failure to file report; filing a substantially
defective or deficient report. (a) True and accurate reports
shall be filed with the commission on or before the due date
specified in this part. The commission may assess a fine
against a candidate committee or noncandidate committee that is
required to file a report under this part if the report is not
filed by the due date or if the report is substantially
defective or deficient, as determined by the commission.

(b) The fine for not filing a report by the due date, if
assessed, shall not exceed $50 per day for the first seven days,
beginning with the day after the due date of the report, and
shall not exceed $200 per day thereafter; provided that:

(1) In aggregate, the fine shall not exceed twenty-five
per cent of the total amount of contributions or
expenditures, whichever is greater, for the period
covered by the report; and

(2) The minimum fine for a report filed more than four
days after the due date, if assessed, shall be $200.

(c) Subsection (b) notwithstanding, if a candidate
committee does not file the second preliminary primary report or
the preliminary general report, or if a noncandidate committee
does not file the preliminary primary report or the preliminary
1 general report by the due date, the fine, if assessed, shall not
2 exceed $300 per day; provided that:
3   (1) In aggregate, the fine shall not exceed twenty-five
4       per cent of the total amount of contributions or
5       expenditures, whichever is greater, for the period
6       covered by the report; and
7   (2) The minimum fine, if assessed, shall be $300.
8 (d) If the commission determines that a report is
9       substantially defective or deficient, the commission shall
10       notify the candidate's committee by first class mail that:
11       (1) The report is substantially defective or deficient;
12       and
13       (2) A fine may be assessed.
14 (e) If the corrected report is not filed with the
15       commission's electronic filing system on or before the
16       fourteenth day after the notice of deficiency has been mailed,
17       the fine, if assessed, for a substantially defective or
18       deficient report shall not exceed $50 per day for the first
19       seven days, beginning with the fifteenth day after the notice
20       was sent, and shall not exceed $200 per day thereafter; provided
21       that:
(1) In aggregate, the fine shall not exceed twenty-five per cent of the total amount of contributions or expenditures, whichever is greater, for the period covered by the report; and

(2) The minimum fine for not filing a corrected report more than eighteen days after the notice, if assessed, shall be $200.

(f) The commission shall publish on its website the names of all candidate committees that have failed to:

(1) File a report; or

(2) Correct a report within the time allowed by the commission.

(g) All fines collected under this section shall be deposited into the general fund.

§11-X Electioneering communications; statement of information. (a) Each person who makes a disbursement for electioneering communications in an aggregate amount of more than $2,000 during any calendar year shall file with the commission a statement of information within twenty-four hours of each disclosure date provided in this section.

(b) Each statement of information shall contain the following:
(1) The name of the person making the disbursement, name of any person or entity sharing or exercising discretion or control over such person, and the custodian of the books and accounts of the person making the disbursement;

(2) The state of incorporation and principal place of business or, for an individual, the address of the person making the disbursement;

(3) The amount of each disbursement during the period covered by the statement and the identification of the person to whom the disbursement was made;

(4) The elections to which the electioneering communications pertain and the names, if known, of the candidates identified or to be identified;

(5) If the disbursements were made by a candidate committee or noncandidate committee, the names and addresses of all persons who contributed to the candidate committee or noncandidate committee for the purpose of publishing or broadcasting the electioneering communications;

(6) If the disbursements were made by an organization other than any candidate committee or noncandidate
committee, the names and addresses of all persons who contributed to the organization for the purpose of publishing or broadcasting the electioneering communications; and

(7) Whether or not any electioneering communication is made in coordination, cooperation, or concert with or at the request or suggestion of any candidate, candidate committee, or noncandidate committee, or agent of any candidate if any, and if so, the identification of the candidate, a candidate committee or a noncandidate committee, or agent involved.

(c) For the purposes of this section:

"Disclosure date" means, for every calendar year, the first date by which a person has made disbursements during that same year of more than $2,000 in the aggregate for electioneering communications, and the date of any subsequent disbursements by that person for electioneering communications.

"Electioneering communication" means any advertisement that is broadcast from a cable, satellite, television, or radio broadcast station; published in any periodical or newspaper; or sent by mail at a bulk rate, and that:

(1) Refers to a clearly identifiable candidate;
(2) Is made, or scheduled to be made, either within thirty
days prior to a primary or initial special election or
within sixty days prior to a general or special
election; and

(3) Is not susceptible to any reasonable interpretation
other than as an appeal to vote for or against a
specific candidate.

"Electioneering communication" shall not include communications:

(1) In a news story or editorial disseminated by any
broadcast station or publisher of periodicals or
newspapers, unless the facilities are owned or
controlled by any candidate, candidate committee, or
noncandidate committee;

(2) That constitute expenditures by the disbursing
organization;

(3) In house bulletins; or

(4) That constitute a candidate debate or forum, or solely
promote a debate or forum and are made by or on behalf
of the person sponsoring the debate or forum.

(d) For purposes of this section, a person shall be
treated as having made a disbursement if the person has executed
a contract to make the disbursement.
§11-Y Fundraiser; notice of intent. (a) No fundraiser shall be held unless a notice of intent to hold the fundraiser is filed setting forth the name and address of the person in charge, the price per person, the date, hour, and place of the fundraiser, and the method thereof.

(b) The person in charge of the fundraiser shall file the notice with the commission prior to the fundraiser.

(c) As used in this section, "fundraiser" means any function held for the benefit of a candidate, candidate committee, or noncandidate committee that is intended or designed, directly or indirectly, to raise contributions for which the price or suggested contribution for attending the function is more than $25 per person.

§11-Z Reporting deadline. When any reporting deadline falls on a Saturday, Sunday, or holiday designated in section 8-1, the reporting deadline shall be the next succeeding day that is not a Saturday, Sunday, or holiday.

§11-AA Sale or use of information. No information in the reports or copies of the reports filed with the commission shall be sold or used by any person for the purpose of soliciting contributions or for any commercial purpose.
E. Contributions; Prohibitions; Limits

§11-BB Contributions, generally. (a) Monetary contributions and other campaign funds shall be promptly deposited in a depository institution, as defined by section 412:1-109, duly authorized to do business in the state, including a bank, savings bank, savings and loan association, depository financial services loan company, credit union, intra-Pacific bank, or similar financial institution, the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, or the National Credit Union Administration in the name of the candidate, candidate committee, or noncandidate committee, whichever is applicable.

(b) A candidate, candidate committee, or noncandidate committee, shall not accept a contribution of more than $100 in cash from a single person without issuing a receipt to the contributor and keeping a record of the contribution.

(c) Each candidate committee or noncandidate committee shall disclose the original source of all earmarked funds, the ultimate recipient of the earmarked funds, and the fact that the funds are earmarked.

§11-CC False name contributions prohibited. (a) No person shall make a contribution to any candidate or a
candidate committee or noncandidate committee, in any name other than that of the person who owns the money, property, or service.

(b) All contributions made in the name of a person other than the owner of the money, property, or service shall escheat to the Hawaii election campaign fund.

§11-DD Anonymous contributions prohibited. (a) Except as provided in subsection (d), no person shall make an anonymous contribution to any candidate, candidate committee, or noncandidate committee.

(b) A candidate, candidate committee, or noncandidate committee shall not knowingly receive, accept, or retain an anonymous contribution, or report such contribution as an anonymous contribution, except as provided in this section.

(c) An anonymous contribution shall not be used or expended by the candidate, candidate committee, or noncandidate committee, but shall be returned to the contributor. If the contributor cannot be identified, the contribution shall escheat to the Hawaii election campaign fund.

(d) This section shall not apply to amounts that aggregate to less than $500 that are received from ten or more persons at the same political function. The receipt of these contributions
shall be disclosed in a report filed pursuant to section 11-P and 11-R.

§11-EE Fundraising on state or county property prohibited.

(a) Except as provided in subsection (b), no person shall solicit a contribution in a government facility that is used for the discharge of official duties by an officer or employee of the State or county.

(b) This prohibition shall not apply to any government facility that permits use by nongovernmental organizations for a fee or with reservations; provided the governmental facility's use rules do not prohibit political activities on the premises. Government facilities that permit use for political activities shall be available to a candidate, candidate committee, or noncandidate committee, for fundraising activities pursuant to the same terms and conditions that would otherwise apply to use by nongovernmental organizations.

(c) A person who violates the prohibition of fundraising on state or county property shall be guilty of a misdemeanor.

§11-FF Contributions by state and county contractors prohibited. (a) It shall be unlawful for any person exempt from competitive solicitation pursuant to chapters 102, 103, 103D, and 103F who enters into any contract with the State, any of its
counties, or any department or agency thereof either for the
rendition of personal services, the buying of property, or
furnishing of any material, supplies, or equipment to the State,
any of its counties, department or agency thereof, or for
selling any land or building to the State, any of its counties,
or any department or agency thereof, if payment for the
performance of the contract or payment for material, supplies,
equipment, land, property, or building is to be made in whole or
in part from funds appropriated by the legislative body, at any
time between the execution of the contract through the
completion of the contract, to:

(1) Directly or indirectly make any contribution, or
promise expressly or impliedly to make any
contribution to any candidate committee or
noncandidate committee, or to any candidate or to any
person for any political purpose or use; or

(2) Knowingly solicit any contribution from any person for
any purpose during any period.

(b) Except as provided in subsection (a), this section
does not prohibit or make unlawful the establishment or
administration of, or the solicitation of contributions to, any
noncandidate committee by any person for the purpose of
influencing the nomination for election, or the election of any person to office; provided that the commission shall by rule establish contribution limits for limited liability companies as defined in section 428-101, limited liability partnerships as defined in section 425-101, and limited liability limited partnerships as defined in section 425E-102. Sole proprietors subject to this section shall comply with applicable campaign contribution limits in section 11-HH(a).

(c) For purposes of this section, "completion of the contract" means that the parties to the government contract have either terminated the contract prior to completion of performance or fully performed the duties and obligations under the contract, no disputes relating to the performance and payment remain under the contract, and all disputed claims have been adjudicated and are final.

§11-GG Contributions by foreign national or foreign corporation prohibited. (a) Except as provided in subsection (b), no contributions or expenditures shall be made to or on behalf of a candidate, candidate committee, or noncandidate committee, by a foreign national or 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 United States Code section 441e and 11 Code of Federal Regulations 110.20, as amended.

(b) A foreign-owned domestic corporation may make contributions if:

(1) Foreign national individuals do not participate in election-related activities, including decisions concerning contributions or the administration of a candidate committee or noncandidate committee; or

(2) The contributions are domestically-derived.

§11-HH Contributions to candidate committees; limits. (a) No person shall make contributions to:

(1) A candidate seeking nomination or election to a two-year office or to a candidate committee in an aggregate amount greater than $2,000 during an election period;

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

(b) For purposes of this section, the length of term of an office shall be the usual length of term of the office as unaffected by reapportionment, a special election to fill a vacancy, or any other factor causing the term of the office the candidate is seeking to be less than the usual length of term of that office.

§11-II Contributions to noncandidate committees; limits. No person shall make contributions to a noncandidate committee in an aggregate amount greater than $1,000 in an election. This section shall not apply to ballot issue committees.

§11-JJ Family contributions. (a) A contribution by a dependent minor shall be reported in the name of the minor but included in the aggregate contributions of the minor's parent or guardian.

(b) A contribution by the candidate's immediate family shall be exempt from section 11-HH, but shall be limited in the aggregate to $50,000 in any election period; provided that the aggregate amount of loans and contributions received from the
candidate's immediate family does not exceed $50,000 during an
election period.

§11-KK Contributions to a party. (a) No person shall
make contributions to a party in an aggregate amount greater
than $25,000 in any two-year election period, except as provided
in subsection (b).

(b) No political committee established and maintained by a
national political party shall make contributions to a party in
an aggregate amount greater than $50,000 in any two-year
election period.

(c) If a person makes a contribution to a party that is
earmarked for a candidate or candidates, the contribution shall
be deemed to be a contribution from both the original
contributor and the party distributing such funds to a candidate
or candidates. The earmarked funds shall be promptly
distributed by the party to the candidate.

(d) This section shall not prohibit a candidate from
making contributions to the candidate's party if contributions
are not earmarked for another candidate.

§11-LL Aggregation of contributions and expenditures. (a)
All contributions and expenditures of a person whose
contributions or expenditures are financed, maintained, or
controlled by any corporation, labor organization, association, party, or any other person, including any parent, subsidiary, branch, division, department, or local unit of the corporation, labor organization, association, party, political committees established and maintained by a national political party, or by any group of those persons shall be considered to be made by a single person.

(b) A contribution by a partnership shall not exceed the limitations in this section and shall be attributed to the partnership and to each partner in direct proportion to the partner's share of the partnership profits, according to instructions that shall be provided by the partnership to the party, candidate, or committee receiving the contribution.

(c) A contribution by a limited liability company shall be treated as follows:

(1) A contribution by a limited liability company that is treated as a partnership by the Internal Revenue Service shall be considered a contribution from a partnership.

(2) A contribution by a limited liability company that is treated as a corporation by the Internal Revenue
Service shall be considered a contribution from a corporation.

(3) A contribution by a limited liability company with a single individual member that is not treated as a corporation by the Internal Revenue Service shall be attributed only to that single individual member.

(4) A limited liability company that makes a contribution shall, at the time the limited liability company makes the contribution, provide information to the party, committee, or candidate receiving the contribution specifying how the contribution is to be attributed.

(d) A person's contribution to a party that is earmarked for a candidate or candidates shall be included in the aggregate contributions of both the person and the party. The earmarked funds shall be promptly distributed by the party to the candidate.

(e) A contribution by a dependent minor shall be reported in the name of the minor but included in the aggregate contributions of the minor's parent or guardian.

§11-MM Contributions limited from nonresident persons.

(a) Contributions from all persons who are not residents of the state at the time the contributions are made, shall not exceed
thirty per cent of the total contributions received by a
candidate or candidate committee for each election period.

(b) This section shall not be applicable to contributions
from the candidate's immediate family.

§11-NN Other contributions and expenditures. (a)
Expenditures or disbursements for electioneering communications
as defined in section 11-X, or any other coordinated activity
made by any person for the benefit of a candidate in
cooperation, consultation, or concert with, or at the request or
suggestion of, a candidate, a candidate committee, or their
agents, shall be considered to be a contribution to the
candidate and expenditure by the candidate.

The financing by any person of the dissemination,
distribution, or republication, in whole or in part, of any
broadcast or any written or other campaign materials prepared by
the candidate, candidate committee, or agents shall be
considered to be a contribution to the candidate.

This subsection shall not apply to candidates for governor
or lieutenant governor supporting a co-candidate in the general
election.

(b) "Coordinated activity" means:
(1) The payment by any person in cooperation, consultation, or concert with, at the request of, or pursuant to, any general or particular understanding with a candidate, candidate committee, the party of a candidate, or an agent of a candidate, candidate committee, or the party of a candidate;

(2) The payment by any person for the production, dissemination, distribution, or republication of any written, graphic, or other form of campaign material, in whole or in part, prepared by a candidate, candidate committee, or noncandidate committee, or an agent of a candidate, candidate committee, or noncandidate committee; or

(3) Any payment by any person or contract for any electioneering communication, as defined in section 11-X, where the payment is coordinated with a candidate, candidate committee, the party of the candidate, or an agent of a candidate, candidate committee, or the party of the candidate.

(c) No expenditure for a candidate who files an affidavit with the commission agreeing to limit aggregate expenditures by the candidate, including coordinated activity by any person,
shall be made or incurred by a candidate committee or noncandidate committee without authorization of the candidate or the candidate's authorized representative. Every expenditure so authorized and made or incurred shall be attributed to the candidate with whom the candidate committee or noncandidate committee is directly associated for the purpose of imposing the expenditure limitations set forth in section 11-MMM.

§11-00 Excess contribution; return; escheat. (a) Any candidate, candidate committee, or noncandidate committee that receives in the aggregate more than the applicable contribution limit in sections 11-HH, 11-II, 11-JJ, and 11-KK shall return any excess contribution to the contributor within thirty days of receipt of the excess contribution. Any excess contribution not returned to the contributor within thirty days shall escheat to the Hawaii election campaign fund.

(b) A candidate or a candidate or noncandidate committee who complies with this section prior to the initiation of administrative action shall not be subject to any fine under section 11-HHH.
F. Loans

§11-PP Loan to candidate committee. (a) A candidate or candidate committee may receive a loan from any or all of the following:

(1) The candidate's own funds;

(2) 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;

(3) The candidate's immediate family in an aggregate amount not to exceed $50,000 during an election period; provided that the aggregate amount of loans and contributions received from the immediate family shall not exceed $50,000 during an election period; and

(4) Persons other than immediate family of the candidate in an aggregate amount not to exceed $10,000 during an election period; provided that:

(A) If the $10,000 limit for loans from persons other than the immediate family is reached, the candidate and candidate committee shall be
prohibited from receiving or accepting any other
loans until the $10,000 is repaid in full;

(B) If a loan from persons other than immediate
family members is not repaid within one year of
the date that the loan is made, the candidate and
candidate committee shall be prohibited from
accepting any other loans. All campaign funds,
including contributions subsequently received,
shall be used to repay the outstanding loan in
full.

(b) For the purposes of this section, a "loan" does not
include expenditures made on behalf of a candidate committee by
a candidate, volunteer, or employee if:

(1) The candidate's, volunteer's, or employee's aggregate
expenditures do not exceed $1,500 within a thirty-day
period;

(2) A dated receipt and a written description of the name
and address of each payee and the amount, date, and
purpose of each expenditure is provided to the
candidate committee before the candidate committee
reimburses the candidate, volunteer, or employee; and
(3) The candidate committee reimburses the candidate, volunteer, or employee within forty-five days of the expenditures being made.

§11-QQ Reporting loan; written loan agreement. (a) Every loan shall be reported as provided in section 11-P.

(b) Every loan in excess of $100 shall be documented as provided in section 11-P.

(c) A loan shall be treated as a contribution, subject to all relevant provisions of this part, if the loan is not reported or documented as provided in section 11-P.

§11-RR Noncandidate committee loan prohibited. A noncandidate committee shall not receive or make a loan.

G. Expenditures

§11-SS Campaign funds only used for certain purposes. (a) Campaign funds may be used by a candidate, treasurer, or candidate committee:

(1) For any purpose directly related:

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

(B) In the case of a candidate committee or treasurer of a candidate committee, to the campaign of the
candidate, question, or issue with which they are

directly associated;

(2) To purchase or lease consumer goods, vehicles,
equipment, and services that provide a mixed benefit
to the candidate. The candidate, however, shall
reimburse the committee for the candidate's personal
use unless the personal use is de minimis;

(3) To make donations to any community service,
educational, youth, recreational, charitable,
scientific, or literary organization; provided that in
any election period, the total amount of all
contributions shall be no more than twice the maximum
amount that one person may contribute to that
candidate pursuant to section 11-HH; provided further
that no contributions shall be made from the date the
candidate files nomination papers to the date of the
general election;

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

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

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

(7) To pay for ordinary and necessary expenses incurred in connection with the candidate's duties as a holder of an office.

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

§11-TT Prohibited uses of campaign funds. Campaign funds shall not be used:

(1) To support the campaigns of candidates other than the candidate with which they are directly associated;
(2) To campaign against any other candidate not directly opposing the candidate with which they are directly associated; or

(3) For personal expenses.

§11-UU Exceptions. Notwithstanding sections 11-SS and 11-TT:

(1) A party may support more than one candidate; and

(2) A candidate for the office of governor or lieutenant governor may support a co-candidate in the general election.

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

(b) The candidate committee and candidate who withdraws or ceases to be a candidate for the election because of death, disqualification, or other reasons shall return residual funds to the contributors no later than ninety days after the
candidate ceases to be a candidate. Funds not returned to contributors shall escheat to the Hawaii election campaign fund.

(c) A candidate who is elected to office, including a candidate subject to term limits and a candidate who resigned before the end of the term of office and the candidate committee of such a candidate, may use campaign funds as provided in section 11-SS or return funds to contributors until four years from the date of the election for which the campaign funds were received. Funds that are not used or returned to contributors shall escheat to the Hawaii election campaign fund.

(d) A candidate who lost in an election and the candidate committee of such a candidate may use campaign funds as provided in section 11-SS or return funds to contributors until one year from the date of the election for which the campaign funds were received. Funds that are not used or returned to contributors shall escheat to the Hawaii election campaign fund.

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

(f) Notwithstanding any of the foregoing, campaign funds may be used for the candidate's next subsequent election as
provided in section 11-88 upon registration for the election
pursuant to section 11-I.

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

H. Advertisements

§11-WW Advertisements. (a) Any advertisement shall
contain:

(1) The name and address of the candidate, candidate
committee, noncandidate committee, or other person
paying for the advertisement; and

(2) A notice in a prominent location stating either that:

(A) The advertisement is published, broadcast,
televised, or circulated with the approval and
authority of the candidate; provided that an
advertisement paid for by a candidate, candidate
committee, or ballot issue committee does not
need to include the notice; or

(B) The advertisement is published, broadcast,
television, or circulated without the approval and
authority of the candidate.
(b) The fine for violation of this section, if assessed by the commission, shall not exceed $25 for each advertisement that lacks the information required by this section, and shall not exceed an aggregate amount of $5,000.

§11-XX House bulletins. The costs of preparing, printing, and circulating house bulletins and the writings, drawings, and photographs contained therein, except for paid political advertisements, shall be exempt from the provisions of this part.

I. Enforcement

§11-YY Subpoena powers. (a) The commission may subpoena witnesses, examine them under oath, and require the production of books, papers, documents, or objects to the commission office or 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.

(b) The books, papers, documents, or objects may be retained by the commission for a reasonable period of time for examination, audit, copying, testing, and photographing.

(c) The subpoena power shall be exercised by the chairperson of the commission, or the chairperson's designee.
(d) Upon application of the commission, obedience to the
subpoena shall be enforced by the circuit court in the county in
which the person subpoenaed resides or is found, in the same
manner as a subpoena issued by a circuit court.

§11-ZZ Filing of complaint. (a) A person alleging
violations of this part shall file a complaint with the
commission.

(b) A complaint initiated by the commission shall be in
writing and signed by the executive director.

(c) A complaint by a person other than the executive
director shall be in writing, signed by the person filing the
complaint, and notarized.

§11-AAA Notice of complaint; opportunity to explain or
respond to complaint. (a) The commission shall give notice of
receipt of the complaint and a copy of the complaint to the
respondent.

(b) The respondent may explain or otherwise respond in
writing to the complaint and explain or otherwise respond to the
complaint at a meeting promptly noticed by the commission and
conducted under chapter 92.
§11-BBB Initial determination by the commission. The commission shall promptly determine, without regard to chapter 91, to:

(1) Summarily dismiss the complaint;
(2) Investigate further;
(3) Make a preliminary determination; or
(4) Refer the complaint to an appropriate prosecuting attorney for prosecution under section 11-III.

§11-CCC Preliminary determination regarding probable cause. (a) Upon hearing the response, if the respondent explains or otherwise responds to the complaint, and upon completion of any investigation, the commission may make a prompt preliminary determination as to whether probable cause exists that a violation of this part has been committed. The preliminary determination with findings of fact and conclusions of law shall be served upon the respondent by certified mail.

(b) The respondent shall be afforded an opportunity to contest the commission's preliminary determination of probable cause by making a request for a contested case hearing under chapter 91 within twenty days of receipt of the preliminary determination. Failure to request a contested case hearing shall render the commission's preliminary determination final.
§11-DDD Waiver of further proceedings. The commission may waive further proceedings due to action the 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.

§11-EEE Contested case hearing. (a) A contested case hearing shall be conducted pursuant to chapter 91 and any rules adopted by the commission, except as provided in this section. (b) If a hearing is held before the commission, the commission shall not be bound by strict rules of evidence when conducting a hearing to determine whether a violation of this part has occurred, and the degree or quantum of proof required shall be a preponderance of the evidence. (c) 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. (d) A record shall be made of the proceeding.
(e) All parties shall be afforded full opportunity to present evidence and argument on all issues involved.

(f) 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 or hearings officer shall receive reimbursements as paid in like circumstances in the courts of this State. Any person whose name is mentioned during a proceeding before the commission and who may be adversely affected thereby, may appear or file a written statement for incorporation into the record of the proceeding.

(g) If a hearing is held before a hearings officer, the hearings officer shall render a recommended decision for the commission's consideration. 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.

(h) The commission, as expeditiously as possible after the close of the commission's hearing, shall issue its final determination of violation together with separate findings of fact and conclusions of law regarding whether a violation of this part has been committed.
§11-FFF Dismissal. The complaint shall be dismissed if
the commission makes a final determination that there is no
violation of this part.

§11-GGG Final determination of violation; order. If the
commission makes a final determination of a violation of this
part, its written decision with findings of fact and conclusions
of law may order any of the following:

(1) The return of any contribution;
(2) The reimbursement of any unauthorized expenditure;
(3) The payment of any administrative fine to the general
fund of the State;
(4) The respondent to cease and desist violations of this
part; or
(5) Any report, statement, or other information required
by this part to be filed.

§11-HHH Administrative fines; relief. (a) The commission
may make a decision or issue an order affecting any person
violating any provision of this part or section 281-22 that may
provide for the assessment of an administrative fine as follows:

(1) If an individual, 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;
or
(2) If a corporation, organization, association, or labor
union, an amount not to exceed $1,000 for each
occurrence;
provided that whenever a corporation, organization, association,
or labor union violates this part, the violation may 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
shall 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.
(c) 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.
(d) If the person to whom the commission's order is
directed does not comply with the order, 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.

(e) Any administrative fine collected by the commission
shall be deposited in the general fund of the State.

(f) Any person or the commission may sue for injunctive
relief to compel compliance with this part.

(g) The provisions of this section shall not prohibit
prosecution under any appropriate provision of the Hawaii Penal
Code or section 11-JJJ.

(h) The provisions of this section shall not apply to any
person who, prior to the commencement of proceedings under this
section, has paid or agreed to pay the fines prescribed by
section 11-W and 11-WW(b).

§11-III Criminal referral. In lieu of an administrative
determination that a violation of this part has been committed,
the commission may refer the complaint to the attorney general
or county prosecutor at any time it believes the respondent may
have recklessly, knowingly, or intentionally committed a
violation.
§11-JJJ Criminal prosecution. (a) Any person who
recklessly, knowingly, or intentionally violates any provision
of this part shall be guilty of a misdemeanor.
(b) Any person who knowingly or intentionally falsifies
any report required by this part with the intent to circumvent
the law or deceive the commission or who violates section 11-CC
or 11-DD shall be guilty of a class C felony. A person charged
with a class C felony shall not be eligible for a deferred
acceptance of guilty plea or nolo contendere plea under chapter
853.
(c) 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.
(d) For purposes of prosecution for violation of this
part, 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.

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

(e) The court shall give priority to the expeditious processing of prosecutions under this section.

(f) Prosecution for violations of this part shall not commence after 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.

(g) This section shall not apply to any person who, prior to the commencement of proceedings under this section, has paid or agreed to pay the fines prescribed by sections 11-W and 11-WW(b).
J. Partial Public Financing

§11-KKK Hawaii election campaign fund; creation. (a) The Hawaii election campaign fund is created as a trust fund within the state treasury.

(b) The fund shall consist of:

(1) 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(a);

(2) Any general fund appropriations; and

(3) Other moneys collected pursuant to this part.

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

§11-LLL Depletion of fund. (a) The commission shall be under no obligation to provide moneys to candidates if, in the partial public funding program or comprehensive public funding for elections to the county of Hawaii council, moneys in that fund are near depletion.

(b) For purpose of the partial funding program, if the Hawaii election campaign fund is close to depletion as determined by the commission, the commission shall determine the
amounts available to eligible candidates based on their order of
eligibility in qualifying for partial public funds, as
determined by the date of filing of an application for public
funds with the commission pursuant to section 11-TTT; provided
that the application has been accepted by the commission.

(c) For purpose of the comprehensive public funding for
elections to the county councils, if the Hawaii elections
campaign fund is close to depletion, the commission shall
determine whether the program shall be operative in accordance
with this part.

§11-MMM Voluntary expenditure limits; filing affidavit.

(a) Any candidate may voluntarily agree to limit the candidate's
campaign expenditures and those of the candidate's committee or
committees and the candidate's party on the candidate's behalf
by filing an affidavit with the campaign spending commission.

(b) The affidavit shall state that the candidate knows the
voluntary campaign expenditure limitations as set out in this
part and that the candidate is voluntarily agreeing to limit the
candidate's expenditures and those made on the candidate's
behalf by the amount set by law. The affidavit shall be
 subscribed to by the candidate and notarized.
(c) The affidavit shall remain effective until the termination of the candidate committee or the opening of filing of nomination papers for the next succeeding election, whichever occurs first. An affidavit filed under this section may not be rescinded.

(d) From January 1 of the year of any primary, special, or general election, the aggregate expenditures for each election by a candidate who voluntarily agrees to limit campaign expenditures, inclusive of all expenditures made or authorized by the candidate alone, all treasurers, the candidate committee, and noncandidate committees on 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 - $2.50;
2. For the office of lieutenant governor - $1.40;
3. For the office of mayor - $2.00;
4. For the offices of state senator, state representative, and county council member - $1.40; and
5. For the board of education and all other offices - 20 cents.
§11-NNN  Tax deduction for qualifying contributions.  (a) An individual resident of Hawaii may claim a state income tax deduction pursuant to section 235-7(g)(2), for contributions to a candidate who files an affidavit pursuant to section 11-MMM and does not exceed the expenditure limit. Cancelled checks or copies of the same shall be considered adequate receipt forms to attach to the tax form to claim the credit.

(b) The commission shall forward a certified copy of the affidavit to the director of taxation.

(c) If a candidate has not filed the affidavit pursuant to section 11-MMM, the candidate shall inform all contributors in writing immediately upon receipt of the contribution that they are not entitled to a tax deduction for their contributions to the candidate. The director of taxation shall not allow any contributor to take a deduction, pursuant to section 235-7(g)(2), for any contribution to a candidate for a statewide or county office who has not filed the affidavit pursuant to section 11-MMM.

§11-000  Maximum amount of public funds available to candidate. (a) The maximum amount of public funds available in each election to a candidate for the office of governor, lieutenant governor, or mayor shall not exceed ten per cent of
the expenditure limit established in section 11-MMM(d) for each election.

(b) The maximum amount of public funds available in each election to a candidate for the office of state senator, state representative, county council member, and prosecuting attorney shall not exceed fifteen per cent of the expenditure limit established in section 11-MMM(d) for each election.

(c) For the office of Hawaiian affairs, the maximum amount of public funds available to a candidate shall not exceed $1,500 in any election year.

(d) 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.

(e) Each candidate who qualified for the maximum amount of public funding in any primary election and who is a candidate for a subsequent general election shall apply with the commission to be qualified to receive the maximum amount of public funds as provided in this section for the respective general election. For purposes of this section, "qualified" means meeting the qualifying campaign contribution requirements of section 11-RRR.
§11-PPP  Candidate exceeds voluntary expenditure limit. A candidate who files the affidavit agreeing to limit expenditures and who exceeds the expenditure limit for that election shall:

(1) Notify all opponents, the chief election officer, and the commission by telephone and writing on the day the expenditure limit is exceeded;

(2) Pay the balance of the full filing fee; and

(3) Provide reasonable notice to all contributors within thirty days of exceeding the limit that the expenditure limit was exceeded and contributions to the candidate no longer qualify for a state income tax deduction.

§11-QQQ  Reserving use of contributions. A candidate who files the affidavit voluntarily agreeing to limit expenditures and who receives contributions that in aggregate exceed the expenditure limit for an election shall reserve use of any contributions that exceed the limit until after the applicable election.

§11-RRR  Eligibility requirements for public funds. In order to be eligible to receive public funds for an election, a candidate shall certify that the candidate will meet all the following requirements:
(1) The candidate and any candidate committee authorized by the candidate shall not incur campaign expenses in excess of the expenditure limitations imposed by section 11-209;

(2) The candidate has qualified to be on the election ballot in a primary or general election;

(3) The candidate has filed a statement of intent to seek qualifying contributions. A contribution received before the filing of a statement of intent to seek public funds shall not be considered a qualifying contribution;

(4) The candidate or committee authorized by the candidate has received the qualifying sum of private contributions for the office sought by the candidate as set forth in section 11-219;

(5) The aggregate of contributions certified with respect to any person under paragraph (4) does not exceed $100;

(6) The candidate agrees to obtain and furnish any evidence relating to expenditures that the commission may request;
(7) The candidate agrees to keep and furnish records, books, and other information that the commission may request;

(8) The candidate agrees to an audit and examination by the commission pursuant to section 11-XXX and to pay any amounts required to be paid pursuant to that section; and

(9) Each candidate and candidate committee in receipt of qualifying contributions that may be taken into account for purposes of public funding shall maintain, on a form prescribed by the commission, records that show the date and amount of each qualifying contribution and the full name and mailing address of the person making the contribution. The candidate and all candidate committees authorized by the candidate shall transmit to the commission all reports with respect to these contributions that the commission may require.

§11-SSS Minimum qualifying contribution amounts;

qualifying contribution statement. (a) As a condition of receiving public funds for a primary or general election, a candidate shall not be unopposed in any election for which
public funds are sought, shall have filed an affidavit with the commission pursuant to section 11-MMM to voluntarily limit the candidate's campaign expenditures, and shall be in receipt of the following sum of qualifying contributions from individual residents of Hawaii:

(1) For the office of governor – qualifying contributions that in the aggregate, exceed $100,000;

(2) For the office of lieutenant governor – qualifying contributions that in the aggregate, exceed $50,000;

(3) For the office of mayor for each respective county:
   (A) County of Honolulu – qualifying contributions that in the aggregate, exceed $50,000;
   (B) County of Hawaii – qualifying contributions that in the aggregate, exceed $15,000;
   (C) County of Maui – qualifying contributions that in the aggregate, exceed $10,000;
   (D) County of Kauai – qualifying contributions that in the aggregate, exceed $5,000; and

(4) For the office of prosecuting attorney for each respective county:
   (A) County of Honolulu – qualifying contributions that in the aggregate, exceed $30,000;
(B) County of Hawaii — qualifying contributions that
in the aggregate, exceed $10,000; and
(C) County of Kauai — qualifying contributions that
in the aggregate, exceed $5,000;
(5) For the office of county council — for each respective
county:
(A) County of Honolulu — qualifying contributions
that in the aggregate, exceed $5,000;
(B) County of Hawaii — qualifying contributions that
in the aggregate, exceed $1,500;
(C) County of Maui — qualifying contributions that in
the aggregate, exceed $5,000; and
(D) County of Kauai — qualifying contributions that
in the aggregate, exceed $3,000;
(6) For the office of state senator — qualifying
contributions that, in the aggregate, exceed $2,500;
(7) For the office of state representative — qualifying
contributions that, in the aggregate, exceed $1,500;
(8) For the office of Hawaiian affairs — qualifying
contributions that, in the aggregate, exceed $1,500;
and
(9) For all other offices, qualifying contributions that, in the aggregate, exceed $500.

(b) A candidate shall obtain the minimum qualifying contribution amount set forth in subsection (a), once for the election period.

(1) If the candidate obtains the minimum qualifying contribution amount, the candidate is eligible to receive:

(A) The minimum payment in an amount equal to the minimum qualifying contribution amounts; and

(B) Payments of $1 for each $1 of qualifying contributions in excess of the minimum qualifying contribution amounts.

(2) A candidate shall have at least one other qualified candidate as an opponent for the primary or general election to receive public funds for that election.

(c) The candidate shall not receive more than the maximum amount of public funds available to a candidate pursuant to section 11-000; provided that the candidate shall not receive public funds for a primary election if the candidate does not obtain the minimum qualifying contribution amounts before the date of the primary election.
§11-TTT Application for public funds.  (a) Each application for public funds shall be signed by the candidate and notarized, and accompanied by the qualifying campaign contribution statement or statements.

(b) The application shall be mailed or delivered to the commission, and shall not be valid unless received by the commission no later than thirty days after the general election.

(c) Each candidate in receipt of the qualifying sum of contributions established for the office that the candidate seeks may apply to the commission for public funding after the candidate has become a candidate in a primary or general election.

§11-UUU Payment to candidate. (a) Upon the commission's approval of the application and statement of qualifying contributions, the commission shall direct the comptroller to distribute matching public funds up to the maximum amount of public funds allowed by section 11-000. Public funds shall be distributed to the candidate within twenty days from the date that the candidate's initial application and qualifying contribution statement is approved by the commission.

(b) The commission shall make additional determinations within fourteen days after receiving a complete application and...
supplemental statement of qualifying contributions from a
candidate.

(c) All determinations made by the commission under this
section are final and conclusive, except to the extent they are
subject to examination and audit by the commission under section

§11-XXX

§11-XXX Use of public funds. (a) Public funds shall be
deposited in a depository institution, as defined in section
412:1-109, duly authorized to do business in the state, such as
a bank, savings bank, savings and loan association, depository
financial services loan company, credit union, intra-Pacific
bank, or similar financial institution, the deposits or accounts
of which are insured by the Federal Deposit Insurance
Corporation, or the National Credit Union Administration.

(b) No expenditures of any public funds shall be made
except by checks drawn on such checking account.

(c) Public funds shall be only used to:

(1) Defray expenditures of the candidate or all candidate
committees authorized by the candidate; and

(2) Repay loans, the proceeds of which were used to defray
expenditures.
(d) Public funds shall not be transferred to another candidate for any election.

(e) Unexpended public funds shall be returned to the commission by the deadline for filing the final report for the election for which the funds were received.

§11-WWW Post-election report required. The treasurer shall electronically submit an expenditure of public funds report to the commission no later than twenty days after a primary election and no later than thirty days after a general election certifying that all public funds paid to the candidate have been used as required by this part.

Should the commission determine that any portion of the public funds have been used for noncampaign or other improper expenses, it shall report such finding to the attorney general and shall order the candidate to return all or part of the funds paid to that candidate for a primary or general election. When public funds are returned, they shall be deposited into the Hawaii election campaign fund.

§11-XXX Post-election examination and audit; return of funds. (a) The commission shall examine and audit the public funds received by all candidates, qualifying contributions, and
the expenditures made by all candidates within sixty days after each general election.

(b) The commission shall adopt rules, pursuant to chapter 91, prior to the payment of public money, regarding expenditures which qualify under section 11-VVV.

(c) If the commission determines that any payment of public funds to a candidate exceeded the aggregate amount to which the candidate was entitled, the commission shall notify the candidate within two years of the payment of the public funds and the candidate shall repay the excess amount to the Hawaii election campaign fund.

(d) If the commission determines that any public funds were used for any improper purpose, the commission shall notify the candidate, and the candidate shall pay to the Hawaii election campaign fund an amount equal to three hundred per cent of such amount in addition to any fines under section 11-HHH and section 11-JJJ.

§11-YYY Report and recommendation. In January of each year, the commission shall submit to the legislature:

(1) A study and recommendations of reasonable campaign expenditure and contribution limits and the factors which may be relevant in their establishment; and
(2) A report concerning the status of the Hawaii election fund."

PART III

SECTION 3. Chapter 11, part XII, subpart B, Hawaii Revised Statutes, is repealed.

PART IV

SECTION 4. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun, before its effective date.

SECTION 5. If any provision of this Act, or the application thereof to any person or circumstance is held invalid, 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 6. In codifying the new sections added by part II of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 7. This Act shall take effect on January 1, 2010.