A BILL FOR AN ACT

RELATING TO PUBLICLY FUNDED ELECTIONS.

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

SECTION 1. The legislature finds that the Hawaii election campaign fund was established pursuant to article II, section 5, of the Hawaii State Constitution to provide funds for the partial public financing of campaigns for public offices of the State and its political subdivisions. Candidates who voluntarily choose to participate in the partial public funding program agree to limit their campaign expenditures in exchange for public funds to conduct a campaign. The goal of these types of programs is to reduce the role of large amounts of private money raised in political campaigns and the obligations that are or can appear to be associated with these contributions.

The legislature further finds that Hawaii's partial public funding program has been used less frequently in recent election years. In the 2016 election cycle, only twenty-eight candidates qualified to receive public funds for a total of $234,864, which is about half the number of participants and public funds provided in 1998, the peak of the program's usage. The partial
public funding program does not currently provide sufficient financial incentives for candidates to adequately compete against candidates who conduct privately-funded campaigns, and the amounts are not regularly increased to reflect inflation or cost of living increases.

The purpose of this Act is to make the partial public funding program a viable option for candidates seeking office in an election with no incumbent by increasing:

(1) The expenditure limit to one hundred forty per cent of the median expenditures received by non-publicly financed candidates in the respective voting district in the last preceding general election;

(2) The maximum amount of public funds available to a participating candidate;

(3) The maximum amount of qualifying contributions from $100 to $200 per contributor; and

(4) The matching contribution amount from the State from $1 for each $1 of qualifying contributions to $2 for each $1 of qualifying contributions.

SECTION 2. Section 11-423, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

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"(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, county council member, and prosecuting attorney – $1.40; and
5. For all other offices – 20 cents;

provided that for a candidate seeking office in an election with no incumbent, the aggregate expenditures for each election shall not exceed one hundred forty per cent of the median expenditures received by non-publicly financed candidates in the respective voting district in the last preceding general election."
SECTION 3. Section 11-425, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(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 11-423(d) for each election; provided that for a candidate seeking such office in an election with no incumbent, the maximum amount of public funds available in each election shall not exceed twenty per cent of the expenditure limit 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 11-423(d) for each election; provided that for a candidate seeking such office in an election with no incumbent, the maximum amount of public funds available in each election shall not exceed thirty per cent of the expenditure limit for each election."

SECTION 4. Section 11-428, Hawaii Revised Statutes, is amended to read as follows:
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 11-423;

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 candidate committee authorized by the candidate has received the minimum qualifying contribution amounts for the office sought by the candidate as set forth in section 11-429;

5. The aggregate of contributions certified with respect to any person under paragraph (4) does not exceed
$100; provided that the aggregate of contributions certified with respect to any person seeking an office in an election with no incumbent under paragraph (4) does not exceed $200;

(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 11-434 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
the candidate committee authorized by the candidate
shall transmit to the commission all reports with
respect to these contributions that the commission may
require."

SECTION 5. Section 11-429, Hawaii Revised Statutes, is
amended by amending subsection (b) to read as follows:
"(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[\(=\)], or,
for a candidate seeking office in an election
with no incumbent, an amount equal to double the
minimum qualifying contribution amounts; and

(B) Payments of $1 for each $1 of qualifying
contributions in excess of the minimum qualifying
contribution amounts[\(=\)], or, for a candidate
seeking office in an election with no incumbent,
payments of $2 for each $1 of qualifying contributions in excess of the minimum qualifying contribution amounts; and

(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."

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect upon its approval.

INTRODUCED BY: [Signature]
Report Title:
Partial Public Funding Program; Expenditure Limits; Qualifying Contributions

Description:
Increases for candidates seeking office in an election with no incumbent, under the partial public funding program: the expenditure limit to one hundred and forty per cent of the median expenditures received by non-publicly financed candidates in the respective voting district in the last preceding general election; the maximum amount of public funds available to a participating candidate; the maximum amount of qualifying contributions; and the matching contribution amount from the State for qualifying contributions.

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