
A BILL FOR AN ACT

RELATING TO CAMPAIGN FINANCE.

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

1 SECTION 1. Section 11-381, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Campaign funds may be used by a candidate, treasurer,
4 or candidate committee:

5 (1) For any purpose directly related:

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

8 (B) In the case of a candidate committee or treasurer
9 of a candidate committee, to the campaign of the
10 candidate, question, or issue with which they are
11 directly associated;

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



- 1 (3) To make donations to any community service,
2 educational, youth, recreational, charitable,
3 scientific, or literary organization; provided that in
4 any election period, the total amount of all donations
5 shall be no more than twice the maximum amount that
6 one person may contribute to that candidate pursuant
7 to section 11-357; provided further that no
8 contributions shall be made from the date the
9 candidate files nomination papers to the date of the
10 general election;
- 11 (4) To make donations to any public school, private
12 school, or public library; provided that in any
13 election period, the total amount of all contributions
14 shall be no more than twice the maximum amount that
15 one person may contribute to that candidate pursuant
16 to section 11-357; provided further that any donation
17 under this paragraph shall not be aggregated with or
18 imputed toward any limitation on donations pursuant to
19 paragraph (3);
- 20 (5) To award scholarships to full-time students attending
21 an institution of higher education or a vocational



1 education school in a program leading to a degree,
2 certificate, or other recognized educational
3 credential; provided that in any election period, the
4 total amount of all scholarships awarded shall be no
5 more than twice the maximum amount that one person may
6 contribute to that candidate pursuant to section 11-
7 357; provided further that no awards shall be made
8 from the filing deadline for nomination papers to the
9 date of the general election;

10 (6) To purchase not more than two tickets for each event
11 held by another candidate or committee, whether or not
12 the event constitutes a fundraiser as defined in
13 section 11-342;

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

17 (8) To pay for ordinary and necessary expenses incurred in
18 connection with the candidate's duties as a holder of
19 an office[-], including expenses incurred for
20 memberships in civic or community groups or for
21 protocol gifts."



1 SECTION 2. Section 11-384, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[f]§11-384[7] Disposition of campaign funds; termination
4 of registration. (a) The candidate committee and candidate who
5 receives contributions for an election but fails to file
6 nomination papers for that election shall return residual funds
7 to the contributors no later than ninety days after the date on
8 which nominations for that election shall be filed. Funds not
9 returned to contributors shall escheat to the Hawaii election
10 campaign fund.

11 (b) [The] Except as provided in subsection (c), the
12 candidate committee and candidate who withdraws or ceases to be
13 a candidate for the election because of [~~death~~]
14 disqualification[7] or other reasons shall return residual funds
15 to the contributors no later than ninety days after the
16 candidate ceases to be a candidate. Funds not returned to
17 contributors shall escheat to the Hawaii election campaign fund.

18 (c) The candidate committee of a candidate who ceases to
19 be a candidate because of the death of the candidate may use
20 campaign funds to:



1 (1) Make donations to any community service, educational,
2 youth, recreational, charitable, scientific, or
3 literary organization; provided that no single
4 organization may receive a donation greater than the
5 deceased candidate was able to receive from a person
6 pursuant to section 11-357; or

7 (2) Return any residual funds to the contributors,
8 or both, no later than ninety days after the candidate ceases to
9 be a candidate because of death of the candidate. Funds that
10 are not donated to organizations or returned to contributors
11 according to this subsection shall escheat to the Hawaii
12 election campaign fund.

13 ~~[-(e)]~~ (d) A candidate who is elected to office, including
14 a candidate subject to term limits and a candidate who resigned
15 before the end of the term of office and the candidate committee
16 of such a candidate, may use campaign funds as provided in
17 section 11-381 or return funds to contributors until four years
18 from the date of the election for which the campaign funds were
19 received. Funds that are not used or returned to contributors
20 shall escheat to the Hawaii election campaign fund.



1 ~~[(d)]~~ (e) A candidate who loses an election and the
2 candidate committee of such a candidate may use campaign funds
3 as provided in section 11-381 or return funds to contributors
4 until one year from the date of the election for which the
5 campaign funds were received. Funds that are not used or
6 returned to contributors shall escheat to the Hawaii election
7 campaign fund.

8 ~~[(e)]~~ (f) A candidate committee that disposes of campaign
9 funds pursuant to this section shall terminate its registration
10 with the commission as provided in section 11-326.

11 ~~[(f)]~~ (g) Notwithstanding any of the foregoing, campaign
12 funds may be used for the candidate's next subsequent election
13 as provided in section 11-381 upon registration for the election
14 pursuant to section 11-321.

15 ~~[(g)]~~ (h) The commission shall adopt rules pursuant to
16 chapter 91 to carry out the purposes of this section."

17 SECTION 3. Section 11-421, Hawaii Revised Statutes, is
18 amended by amending subsection (c) to read as follows:

19 "(c) Moneys in the fund shall be paid to candidates by the
20 comptroller as prescribed in section 11-431 ~~[and may be used for~~



1 ~~the commission's operating expenses, including staff salaries~~
2 ~~and fringe benefits]."~~

3 SECTION 4. The legislature determines that there is in the
4 campaign spending trust fund at least \$495,506 in excess of the
5 requirements of the fund. Until June 30, 2017, the director of
6 finance is authorized to transfer from the campaign spending
7 trust fund to the general fund the sum of \$495,506 or so much
8 thereof as may be necessary for fiscal year 2016-2017.

9 SECTION 5. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$495,506 or so much
11 thereof as may be necessary for fiscal year 2016-2017 for the
12 campaign spending commission's operating expenses, including
13 staff salaries.

14 The sum appropriated shall be expended by the campaign
15 spending commission for the purposes of this Act.

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

18 SECTION 7. This Act shall take effect on July 1, 2016.

19



Report Title:

Campaign Finance; Permissible Uses of Campaign Funds; Campaign Spending Commission; Operating Expenses; Appropriation

Description:

Amends the permitted uses of campaign funds to include private schools as an entity to which a candidate may make a donation up to certain contribution amounts and include expenses incurred for membership in civic or community groups or for protocol gifts as payment of ordinary and necessary expenses incurred in connection with the candidate's duties as a holder of office. Allows a candidate committee of a candidate who ceases to be candidate because of death of the candidate to use campaign funds to make donations to certain types of organizations, return the residual funds to the contributors, or both, within a ninety-day period, and requires any campaign funds not donated or returned to contributors to escheat to the Hawaii election campaign fund. Repeals the use of Hawaii election campaign funds for the operating expenses of the campaign spending commission. Transfers excess trust funds to the general fund. Appropriates moneys to the Campaign Spending Commission for operating expenses. (SD1)

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