

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

Adoption of Chapter 3-162
Hawaii Administrative Rules

February 10, 2010

Chapter 3-162, Hawaii Administrative Rules,
entitled "Hawaii County Council Comprehensive Public
Funding Project", is adopted.

HAWAII ADMINISTRATIVE RULES

TITLE 3

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

CHAPTER 162

HAWAII COUNTY COUNCIL COMPREHENSIVE
PUBLIC FUNDING PROJECT

- §3-162-1 Voter's residence information included on the application for certification
- §3-162-2 Public funds deposited in an account; expenditures from the account
- §3-162-3 Public funds used only for expenditures directly related to the candidate's campaign
- §3-162-4 Directly related expenditures
- §3-162-5 Unauthorized expenditures of public funds
- §3-162-6 "Personal expense," defined
- §3-162-7 Joint expenditures

§3-162-1 Voter's residence information included on the application for certification. (a) The residence address for each registered voter who makes a qualifying contribution and signs a candidate's application for certification as a comprehensive publicly funded candidate must be listed on the application.

(b) If the residence address for each registered voter who makes a qualifying contribution and signs a candidate's application for certification is not listed on the application, that voter's contribution and signature shall not be included in determining

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whether the candidate has submitted at least two hundred qualifying contributions.

(c) A post office box number or post office box address or description of the location of the residence does not satisfy the requirements of a residence address of a registered voter as required in subsection (a). [Eff **MAR 08 2010**] (Auth: HRS §11-193) (Imp: Act 244, SLH 2008, sections 7 and 8)

§3-162-2 Public funds deposited in an account; expenditures from the account. (a) A certified candidate shall deposit public funds, provided pursuant to Act 244, SLH 2008, in a depository institution checking account. Except as provided in subsection (b), the funds in this account shall not be commingled with other funds. Expenditures of public funds from this account shall only be made by the candidate or candidate committee's debit cards or bank checks.

(b) Personal funds used as seed money and surplus campaign funds used as seed money may also be deposited in the depository institution checking account. [Eff **MAR 08 2010**] (Auth: HRS §11-193) (Imp: Act 244, SLH 2008, sections 6 and 16)

§3-162-3 Public funds used only for expenditures directly related to the candidate's campaign. (a) Public funds provided pursuant to Act 244, SLH 2008, may be used only for expenditures directly related to the candidate's campaign during the election for which the public funds are allocated.

(b) Expenditures for any other purpose are prohibited. [Eff **MAR 08 2010**] (Auth: HRS §11-193) (Imp: Act 244, SLH 2008, section 15)

§3-162-4 Directly related expenditures. (a) In determining whether an expenditure is directly related to the candidate's campaign during the election for which the public funds were provided pursuant to Act 244, SLH 2008, the circumstances of the expenditure(s) shall be considered, including the following:

- (1) The timing of the expenditure;
- (2) Whether there is a high proportion of spending on a specific category of expenditure;
- (3) The reporting of the expenditure and documentation for the expenditure; and
- (4) Whether the expenditure was made to a family member or relative of the candidate, or to any individual or entity with whom the candidate has a business or other financial relationship.

(b) Expenditures for the following goods and services are presumed to be directly related to the candidate's campaign:

- (1) Candidate filing fee;
- (2) Voter lists;
- (3) Rent for campaign headquarters;
- (4) Office supplies;
- (5) Advertising and publicity, including expenditures for producing, printing and broadcasting campaign literature;
- (6) Mailing;
- (7) Promotional event;
- (8) Mileage reimbursement for campaign meetings, voter contact, or volunteers not exceeding the current mileage rate adopted by the department of accounting and general services at the time the vehicle is used;
- (9) Food and beverages at campaign meetings;

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- (10) Telephone, including cellular phones, and telephone banks;
- (11) Reasonable salaries for campaign staff and fees for consultants;
- (12) Website design, registration, hosting, and maintenance;
- (13) Campaign communications such as bumper stickers, signs, banners, T-shirts, or caps with a campaign logo or slogan; or
- (14) Sundry items such as pens, pencils, magnets, and stickers. [Eff **MAR 08 2010**] (Auth: HRS §11-193) (Imp: Act 244, SLH 2008, section 15)

§3-162-5 Unauthorized expenditures of public funds. Unauthorized expenditures of public funds provided pursuant to Act 244, SLH 2008, include:

- (1) The candidate's personal expenses;
- (2) Money spent promoting or assisting another candidate or committee, including money spent to purchase tickets for an event held by another candidate or committee, whether or not the event constitutes a fundraiser as defined in Hawaii Revised Statutes section 11-203;
- (3) Donations to any community service, educational, youth, recreational, charitable, scientific, or literary organization;
- (4) Contributions to any political party;
- (5) Ordinary and necessary expenses incurred in connection with the candidate's duties as a holder of an office; provided that a certified candidate elected to office may carryover up to \$4,000 in public funds to

- pay for in-office constituent communications pursuant to Act 244, section 11;
- (6) Compensation paid to a candidate for services to influence the nomination or election of the candidate;
 - (7) Compensation paid to the candidate's immediate family or relatives for services to influence the nomination or election of the candidate, unless the compensation is for bona fide services necessary to maintain a campaign to influence the nomination or election of the candidate and is comparable to the compensation paid to other persons in the community for similar services;
 - (8) Money spent to pay any fine or penalty imposed pursuant to federal, state, or county law;
 - (9) Money spent to buy gifts; or
 - (10) Expenses paid to host a post-election mahalo party for staff, volunteers, and supporters.
[Eff **MAR 08 2010**] (Auth: HRS §11-193)
(Imp: Act 244, SLH 2008, section 15)

§3-162-6 "Personal expense," defined. For purposes of section 3-162-5, "personal expense," means an expense that would exist irrespective of a candidate's campaign to seek nomination or election to office including, without limitation, the following:

- (1) Household food items and supplies purchased for daily personal consumption by the candidate, a family member of the candidate, or candidate committee;

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- (2) Gifts or donations for weddings, Christmas, birthdays, funerals or other personal occasions;
- (3) Clothing usually and customarily worn for everyday wear; provided that a campaign expense for clothing identifying the candidate or campaign for an office shall not be prohibited;
- (4) Tuition and educational fees or expenses not directly related to the performance of duties or responsibilities in a candidate's campaign for elected office;
- (5) Mortgage, rent, and utility expenses for a personal residence;
- (6) Entertainment or sporting events; and
- (7) Dues, fees, or other expenses to a country club, health club, recreational or exercise facility and not arising from a fundraising activity or function held at the facility.
[Eff **MAR 0 8 2010**] (Auth: HRS §11-193)
(Imp: Act, 244, SLH 2008, section 15)

§3-162-7 Joint expenditures. While a certified candidate is prohibited from using public money provided pursuant to Act 244, SLH 2008 to promote or assist another candidate or committee, the certified candidate may share expenditures directly related to the candidate's campaign with one or more other candidates if the certified candidate pays a pro rata share of the directly related expenditures.
[Eff **MAR 0 8 2010**] (Auth: HRS §11-193) (Imp: Act, 244, SLH 2008, section 15)