

**GUIDEBOOK FOR  
HAWAII COUNTY COUNCIL  
PILOT COMPREHENSIVE PUBLIC FUNDING  
FOR THE 2012 ELECTIONS**



*State of Hawaii  
Campaign Spending Commission*

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*This guidebook is provided as a reference and informational source. It should not be construed to constitute legal advice or authority. Readers should consult Act 244, SLH 2008 and other sources for a complete and legal basis of the law or seek assistance from the Commission or a Hawaii licensed attorney.*

## INTRODUCTION

The Hawaii Campaign Spending Commission (“Commission”)<sup>1</sup> has prepared this general guide to assist Hawaii County Council candidates in the 2012 election.

Part I of Act 244, Session Laws of Hawaii 2008 (“Act 244”), established a pilot comprehensive public funding project for elections to the Hawaii County Council. This is a voluntary program for three election cycles beginning with the 2010 election. The public funds for these elections are provided by the Hawaii Election Campaign Fund; voluntary check-offs by individual taxpayers on their Hawaii income tax returns are the main source of current revenue for the Hawaii Election Campaign Fund.<sup>2</sup> Act 244 provides a \$300,000 cap on funding for all candidates in the 2012 election.

A candidate who voluntarily agrees to participate in this program must fulfill certain requirements, including the collection of \$5 qualifying contributions from two hundred registered voters in the district that the candidate is seeking election to. If certified as a comprehensive publicly funded candidate by the Commission, the candidate will receive a base amount of public funds for the election, subject to the \$300,000 cap; the base amount varies for each of the nine Hawaii County Council districts and is based upon the average of the amount spent by the winning candidate for the same district in the previous two county council elections (2008 and 2010), reduced by ten per cent. A certified candidate is prohibited from receiving private contributions (other than seed money and qualifying contributions), except in very limited circumstances.

Although this comprehensive public funding program is voluntary, all certified candidates for election to the Hawaii County Council are subject to mandatory reporting requirements in Act 244 in addition to all reporting requirements in Part XIII of Chapter 11, Hawaii Revised Statutes (“HRS”).

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<sup>1</sup> The Commission (five volunteer citizens) and its five staff members are responsible for administering Hawaii’s campaign finance law.

<sup>2</sup> Hawaii also provides a partial public financing (matching public funds) program which allows a candidate who agrees to limit campaign expenditures to raise private contributions which are matched with public funds. The partial public funding program, generally, operates as follows:

- A candidate, including a Hawaii county council candidate, must agree to expenditure limits in the primary and general elections which are calculated by multiplying the number of voters in the last preceding general election (2010) by a statutory amount (\$1.40 in the case of a Hawaii county council candidate) that can be spent on each voter.
- If the candidate for the Hawaii county council receives a minimum of \$1,500 in qualifying contributions (aggregate monetary contribution of \$100 or less from Hawaii residents), the candidate is provided with matching public funds. A candidate who receives additional qualifying contributions will receive additional matching public funds, up to a maximum statutory amount.

The partial public funding candidate may receive qualifying contributions, matching public funds, and private contributions. These funds may be spent for the purposes specified in the law, subject to the expenditure limits.

See the Commission’s Public Funding Guidebook for more information about partial public financing. This guidebook is available at [www.hawaii.gov/campaign](http://www.hawaii.gov/campaign) under the heading “Qualifying for Public Funds” by clicking “Public Funding Guidebook.”

## CHAPTER I: GETTING STARTED

A candidate who does not have a candidate committee already registered with the Commission must register a committee by filing an Organizational Report on the web-based Candidate Filing System within ten days of receiving more than \$100 in either seed money or qualifying contributions, whichever occurs first.<sup>3</sup>

Candidate committee information, including filing the “Electronic Filing Form - Candidate Committee,” registering the candidate committee by filing an Organizational Report, appointing a chairperson and treasurer, and opening the committee’s depository (i.e., bank account) can be found in the “Candidate Committee Guidebook.”

A candidate who previously sought election as a privately funded candidate and already has a committee registered with the Commission should also refer to Chapter XII of this Guidebook.

## CHAPTER II: SEED MONEY

Up to \$3,000 in seed money may be received by a candidate from the following sources:

- Private contributions (monetary and nonmonetary) from an individual, provided that the contributions do not exceed \$250 from each individual and are not received from a prohibited source (e.g., false name, anonymous, or foreign national);
- The candidate’s personal funds; and
- The candidate’s surplus funds from a prior campaign.

Seed money may be received until the candidate files the “Declaration of Intent to Seek Comprehensive Public Funding” with the Commission. For purposes of this pilot program only, the candidate’s use of personal funds for seed money shall be entered into the Candidate Filing System on Schedule A - Contributions Received.

Seed money must be used only for expenditures necessary to determine whether sufficient support exists for a candidate to run for office as a comprehensive publicly funded candidate. These expenditures may be made until the candidate is certified by the Commission as a comprehensive publicly funded candidate or the closing date to file nomination papers to run for office for which the candidate intends to seek election, whichever occurs first. If campaign material is purchased with the seed money, the campaign material cannot be used after filing the “Declaration of Intent to Seek Comprehensive Public Funding.”

Any seed money that is received but not expended must be donated to the Hawaii Election Campaign Fund or deducted from the candidate’s base amount of funds.

Three seed money reports shall be filed on the Candidate Filing System no later than 11:59 p.m. on:

- January 31, 2012                      For reporting period from July 1, 2011 through December 31, 2011;
- April 30, 2012                        For reporting period from January 1, 2012 through March 31, 2012; and
- July 23, 2012                         For reporting period from April 1, 2012 through July 12, 2012.

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<sup>3</sup> An individual qualifies as a candidate when the individual does any of the following:

- Files nomination papers for an office with the county clerk’s office or with the office of elections, whichever is applicable;
- Receives contributions in an aggregate amount of more than \$100 or makes or incurs any expenditures of more than \$100 to bring about the individual’s nomination for election, or to bring about the individual’s election to office;
- Gives consent for any other person to receive contributions or make expenditures to aid the individual’s nomination for election, or the individual’s election to office; or
- Is certified to be a candidate by the chief election officer or county clerk.

## CHAPTER III: QUALIFYING FOR PUBLIC FUNDS

The “Declaration of Intent to Seek Comprehensive Public Funding” (“Declaration”) form must be filed with the Commission or Hawaii County Clerk’s office during the period from January 3, 2012 through May 6, 2012 (thirty days before the June 5, 2012 deadline for filing nomination papers). The Declaration form will be available on the Commission’s website on January 1, 2012.

Act 244 requires a “\$5 monetary contribution.” The qualifying period begins on January 1, 2012 and ends on June 5, 2012. ***Qualifying contributions cannot be collected before the Declaration is filed with the Commission or Hawaii County Clerk’s office.*** Any contribution not collected during the qualifying period or before filing the declaration is not a qualifying contribution.

A candidate must collect \$5 qualifying contributions from two hundred registered voters in the district that the candidate is seeking office to during the qualifying period. The qualifying contribution must be in the form of a personal check or a money order payable to the Hawaii Election Campaign Fund. The voter must not be given anything of value in exchange for the qualifying contribution. ***Further, the qualifying contribution must be from the voter’s own funds; if the \$5 is not from the voter’s own funds, it is not a qualifying contribution.*** In the case of a husband and wife who support a candidate, each spouse would have to submit a separate \$5 check or money order. The Commission also recommends that more than two hundred qualifying contributions be collected in case some of the individuals are not registered voters or their checks bounce.

Every voter who makes a qualifying contribution must also sign the candidate’s “Application for Certification for Comprehensive Public Funding” form; and the printed name and address of the voter must be included on the Application. The Application form will be available on the Commission’s website on January 3, 2012.

***All qualifying contributions collected by a candidate, whether or not the candidate is certified, shall be deposited into the Hawaii election campaign fund.***

## CHAPTER IV: APPLYING FOR PUBLIC FUNDS

### Verification By The Hawaii County Clerk

The Hawaii County Clerk must verify the following information:

- The candidate resides in the district from which election is sought as of the date of filing nomination papers;
- The candidate is a registered voter in the district from which election is sought; and
- At least two hundred registered voters in the district from which the candidate is seeking election made qualifying contributions to the candidate and signed the candidate’s “Application for Certification for Comprehensive Public Funding” form.

After completing the verification, the County Clerk will submit the “Application for Certification for Comprehensive Public Funding” to the Commission.

### Application For Certification For Comprehensive Public Funding

The “Application for Certification for Comprehensive Public Funding” (“Application”) form must be submitted to the Commission no later than July 12, 2012 (thirty days before the primary election on August 11, 2012). The application must:

- Be signed by the candidate and the treasurer, under penalty of perjury;
- Contain at least two hundred printed names of registered voters in the district from which the candidate is seeking election, along with their addresses, signatures, and qualifying contributions. ***The Application must be personally signed by the voter; another individual is prohibited from signing for the voter;*** and
- Contain any information deemed necessary and appropriate by the Commission.

### **Review Of Application; Distribution Of Funds**

Following receipt of a candidate's completed Application, including verification by the Hawaii County Clerk, the law requires the Commission to issue a decision to certify or deny certification within ten business days. The Commission's decision is final and conclusive.

A certification shall apply to both the primary and general election even if the candidate is unopposed in the primary election.

Public funds shall be paid to a certified candidate in the manner prescribed in section 11-431, HRS. This means that the funds will be available within twenty days from the date of the Commission's decision to certify the candidate.

### **Revocation; Withdrawal**

A certification may be revoked by the Commission if a candidate knowingly seeks or receives public funding to fraudulently qualify for or receive public funds (e.g., fraudulent qualifying contributions). Upon revocation of certification, the certified candidate shall repay all public funds received within ten business days.

If a certified candidate withdraws from seeking the nomination for or from the election, all unencumbered funds received by the candidate shall be returned to the Hawaii election campaign fund within thirty days after withdrawal.

## **CHAPTER V: FUNDING RESTRICTIONS AND OTHER RESTRICTIONS AFTER A CANDIDATE IS CERTIFIED**

Upon certification for comprehensive public funding and until the end of the general election campaign period, a candidate shall not accept:

- Contributions from any person, including a political party;
- Loans from any person, including a certified candidate; and
- Any campaign material purchased or held from a date prior to filing the Declaration of Intent to Seek Comprehensive Public Funds.

A certified candidate who accepts contributions (other than seed money, qualifying contributions, and private contributions in the limited circumstances permitted in Act 244) shall be subject to a fine equal to three times the public funding received, in addition to any other action, fines, or prosecution under section 18 of Act 244 and Part XIII of Chapter 11, HRS, or any provision of the Hawaii Penal Code.

### **Contribution Defined**

A contribution is anything of value given to influence the nomination for election, or election, of any candidate to office and includes the following:

- A gift;
- Subscription;
- Deposit of money or anything of value including personal services;
- Cancellation of a debt or legal obligation; and
- Purchase of tickets to fundraisers.

A contribution does not include volunteer services. For example, an individual may provide their services for free to the candidate. However, if a person other than the candidate or the committee pays the individual for providing services to the campaign, the activity is no longer considered voluntary and the payments are non-monetary contributions to the candidate. For example, a contribution occurs if an individual provides services during the individual's paid work-time to the candidate with the knowledge of the individual's employer.

### **Types Of Contributions**

(1) A monetary contribution.

(2) A non-monetary contribution includes the following:

- The donation of goods offered without charge or at an unreasonably low charge;
- The payment, by any person other than a candidate of compensation for the services of another person which are rendered to the candidate without charge or at an unreasonably low charge;
- An expenditure made in cooperation, consultation, or concert with, or at the request or suggestion of a candidate; and
- The financing by any person or political party 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, the candidate's committee or agents.

## **CHAPTER VI: EXPENDITURES OF PUBLIC FUNDS**

All seed money and public funds received by a certified candidate shall be deposited directly into a depository institution checking account. No expenditures of any seed money or public funds shall be made except by debit cards or checks drawn on such account.

In the case of a candidate who previously ran for office and has surplus funds, the surplus funds shall be frozen and maintained in an account separate from the account for the seed money and public funds.

A certified candidate who makes expenditures of more than one hundred per cent of the public funds allocated to the candidate shall repay to the Hawaii Election Campaign Fund an amount equal to three times the excess expenditures. An expenditure, when made or incurred for the purpose of influencing the nomination for election, or election, of any candidate to office whether or not the candidate has filed nomination papers, includes the following:

- Any purchase or transfer of money or anything of value;
- A promise or agreement to purchase or transfer money or anything of value;
- Payment incurred or made; and
- The use or consumption of a non-monetary contribution.

An expenditure is made or incurred when the services are rendered or the product is delivered. (Accrual basis)

The public funds must be spent for expenses directly related to the certified candidate's campaign during the election for which the comprehensive public funds are allocated and include expenses for:

- Voter lists;
- Rent for the campaign headquarters;
- Office supplies;
- Advertising and publicity, including expenditures for producing, printing and broadcasting campaign literature;
- Mailing;
- Promotional event (food, rental, and entertainment);
- Mileage reimbursement (not exceeding – cents per mile) for campaign meetings, voter contact, or volunteers;
- Food and beverages at campaign meetings;
- Costs for telephones, cell phones and phone banks;
- Reasonable salaries for campaign staff and fees for consultants;
- Website design, registration, hosting, and maintenance;
- Campaign communications such as bumper stickers, signs, banners, T-shirts, or caps with a campaign logo or slogan;
- Sundry items such as pens, pencils, magnets, and stickers; and
- Costs for preparing and mailing campaign literature.

A certified candidate is prohibited from expending for campaign purposes:

- Any money except public funds issued by the Commission;
- Public funds for purposes other than those permitted by law;
- Public funds outside the applicable campaign period; and
- Public funds in excess of the comprehensive public funds allocated to the candidate.

A certified candidate also is prohibited from making expenditures to promote another candidate's campaign or for the candidate's personal expenses. A personal expense means any expense that would exist irrespective of a candidate's campaign to seek nomination or election to office including, without limitation, the following:

- Household food items and supplies purchased for daily personal consumption by the candidate, a family member of the candidate, or candidate committee;
- Gifts or donations for weddings, Christmas, birthdays, funerals or other personal occasions;
- 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;
- Tuition and educational fees or expenses not directly related to the performance of duties or responsibilities in a candidate's campaign for elected office;
- Mortgage, rent, and utility expenses for a personal residence;
- Entertainment or sporting events; and
- 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.

## **CHAPTER VII: REPORTING**

A certified candidate shall comply with all reporting requirements of Act 244 and Part XIII of Chapter 11, HRS. For additional information about reporting, please refer to the "Candidate Committee Guidebook." Act 244 requires the following:

- A report shall be filed electronically on the web-based Candidate Filing System. There are no exceptions or waivers.
- A report shall be filed by 11:59 p.m. on the date specified for the filing of the report. When any reporting deadline falls on a holiday or weekend, the deadline shall be the first working weekday after the date the report is due. Failure to file the required report by the applicable deadline will result in a fine of \$50 per day for the first seven days and \$200 per day thereafter, subject to a cap, except for specified reports in Chapter 11 that are \$300 per day from the first day.



- A report must be certified as true and correct. This certification requirement for an electronically filed report is met when the “Electronic Filing Form - Candidate Committee,” including the original signatures of the Candidate, Chairperson and Treasurer, is mailed or delivered to the Commission.
- A certified candidate must mail or deliver a copy of the most recent available bank statement from the financial depository holding the public funds, as attested to by the candidate’s committee, after every report required by Act 244 and Part XIII of Chapter 11, HRS, is filed on the Candidate Filing System.

### Certified Candidate’s Reports

In the case of a candidate who previously ran for office and has surplus funds, the surplus funds shall be frozen and maintained in an account separate from the account for seed money and public funds. Reports must be filed, as provided in the left side of the table below.

The right side of the table lists the reports a certified candidate must file pursuant to Act 244.

Reporting requirements Part XIII of Chapter 11, HRS			Reports for a certified candidate who receives public funds pursuant to Act 244		
Due date	Reporting period	Report	Due date	Reporting period	Report
January 31, 2012	July 1 - December 31, 2011	Supplemental	January 31, 2012	July 1 – December 31, 2012	Seed Money Report #1
			April 30, 2012	January 1 – March 31, 2012	Seed Money Report #2
			July 23, 2012	April 1 – July 12, 2012	Seed Money Report #3
July 31, 2012	January 1 – June 30, 2012	1 <sup>st</sup> Preliminary Primary			
August 1, 2012	July 1 – July 27, 2012	2 <sup>nd</sup> Preliminary Primary			
August 8, 2012	July 28 – August 7, 2012	Late Contributions Report			
August 31, 2012	July 28 – August 11, 2012	Final Primary Report	August 31, 2012	Date of receipt of public funds – August 11, 2012 (For candidates that received public funding in the primary election.)	Post Primary Expenditure Report
October 29, 2012	August 12 – October 22, 2012	Preliminary General Report			
November 5, 2012	October 23 – November 2, 2012	Late Contributions Report			
December 6, 2012	October 23 – November 6, 2012 (For candidates that won in the primary election and advanced to the general election)	Final Election Period Report	December 6, 2012	August 12 – November 6, 2012 (For candidates that received public funding in the general election.)	Post General Expenditure Report
December 6, 2012	August 12 – November 6, 2012 (For candidates that lost or were elected to office in the primary election )	Final Election Period Report			
December 6, 2012	January 1 – November 6, 2012 (For candidates whose aggregate contributions and expenditures total \$1,000 or less)	Final Election Period Report			

## CHAPTER VIII: PRIMARY ELECTION FUNDS

### **\$300,000 Cap**

No distributions in an aggregate amount greater than \$300,000 shall be made from the Hawaii Election Campaign Fund to all Hawaii County Council candidates in the 2012 primary and general elections.

### **Public Funds Available**

#### Base Amount

A certified candidate is eligible to receive the base amount of public funding in the primary election. The base amount in a contested primary election is the average of the amount spent by the winning candidates in the previous two county council primary elections of the same district, reduced by ten per cent.

The base amount of funding, subject to the \$300,000 cap, that is available in the primary election for every certified candidate in each of the nine districts is listed as follows:

Hawaii County Council	Primary Election Base Amounts
District 1	\$1,226
District 2	\$14,559
District 3	\$10,194
District 4	\$16,320
District 5	\$5,579
District 6	\$41,573
District 7	\$18,588
District 8	\$12,282
District 9	\$11,478

Any seed money that is received but not expended must be donated to the Hawaii Election Campaign Fund or deducted from the candidate's base amount of funds in the primary election.

#### Unopposed Certified Candidate

An unopposed candidate will receive thirty per cent of the base amount provided in the primary election.

### **Private Funds Available During the Primary Election in Limited Circumstances**

If the Commission determines that the revenues are insufficient to meet distributions to certified candidates under this section or \$300,000 is distributed for the 2012 Hawaii County Council election, the commission shall permit certified candidates to accept and spend contributions, subject to the campaign contribution limitations set forth in section 11-357, HRS, and the applicable amounts the certified candidate would have received from comprehensive public funding. Seed money and qualifying contributions received by a candidate shall be included in the aggregate contributions of individuals for purposes of section 11-357, HRS.

### **Public Funds Remaining After the Primary Election**

A certified candidate who wins the primary election and has unexpended public funds may carryover those funds to the general election. A winning primary candidate who does not have an opponent in the general election shall return the unexpended public funds to the Hawaii campaign election fund within thirty days after the primary election, except for \$4,000 to be used for in-office constituent communications. Expenditures for these communications shall not exceed \$2,000 per year or \$4,000 for a two-year term.

If the total surplus for a certified candidate who is elected to office falls under \$4,000, the office holder shall be allowed to raise the difference with private contributions in an aggregate amount of \$2,000 per year; provided that the contributions are received from an individual and each individual shall be limited to contributing \$250 for the election period.

A certified candidate who is not successful in the primary election shall return all unexpended public funds to the Hawaii Election Campaign Fund within thirty days after the election.

## **CHAPTER IX: GENERAL ELECTION FUNDS**

### **\$300,000 Cap**

No distributions in an aggregate amount greater than \$300,000 shall be made from the Hawaii Election Campaign Fund to all Hawaii County Council candidates in the 2012 primary and general elections.

### **Public Funds Available**

#### Base Amount

A certified candidate is eligible to receive the base amount of public funding in the general election. The base amount in a contested general election is the average of the amount spent by the winning candidates in the previous two county council general elections of the same district, reduced by ten per cent.

The base amount of funding, subject to the \$300,000 cap, that is available in the general election for every certified candidate in each of the nine districts is listed as follows:

Hawaii County Council	General Election Base Amounts
District 1	\$220
District 2	\$1,921
District 3	\$0
District 4	\$5,103
District 5	\$4,059
District 6	\$7,320
District 7	\$471
District 8	\$173
District 9	\$173

#### Unopposed Certified Candidate

A certified candidate who has no opponent in the general election will not receive any public funds.

### **Private Funds Available During The General Election In Limited Circumstances**

If the Commission determines that the revenues are insufficient to meet distributions to certified candidates under this section or \$300,000 is distributed for the 2012 Hawaii County Council election, the commission shall permit certified candidates to accept and spend contributions, subject to the campaign contribution limitations set forth in section 11-357, HRS, up to the applicable amounts the certified candidate would have received from comprehensive public funding. Seed money and qualifying contributions received by a candidate shall be included in the aggregate contributions of individuals for purposes of determining contribution limits in section 11-357, HRS.

## **Public Funds Remaining After The General Election**

A certified candidate who wins the general election shall return unexpended public funds to the Hawaii Election Campaign Fund within thirty days after the election except for \$4,000 to be used for in-office constituent communications. Expenditures for these communications shall not exceed \$2,000 per year or \$4,000 for a two-year term.

If the total surplus for a certified candidate who is elected to office falls under \$4,000, the office holder shall be allowed to raise the difference with private contributions in an aggregate amount of \$2,000 per year; provided that the contributions are received from an individual and each individual shall be limited to contributing \$250 for the election period.

A certified candidate who is not successful in the general election shall return all unexpended public funds to the Hawaii Election Campaign Fund within thirty days after the election.

## **CHAPTER X: CANDIDATE'S POST-ELECTION RESPONSIBILITIES**

### **Primary Election**

#### Public Funds Remaining After the Primary Election

A certified candidate who wins the primary election and has unexpended public funds may carryover those funds to the general election. If the winning primary candidate does not have an opponent in the general election, the unexpended public funds shall be returned to the Hawaii campaign election fund within thirty days after the primary election except for \$4,000 to be used for in-office constituent communications.

A certified candidate who is not successful in the primary election shall return all unexpended public funds to the Hawaii Election Campaign Fund within thirty days after the election.

#### Post Primary Election Expenditure Report

A post-election report shall be filed on the Candidate Filing System no later than twenty days after a primary election. The report shall include information regarding all expenditures made, 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 must be itemized to permit a reasonable person to determine the ultimate intended recipient of the expenditure and its purpose.

### **General Election**

#### Public Funds Remaining After The General Election

If a certified candidate wins the general election, the unexpended public funds shall be returned to the Hawaii Election Campaign Fund within thirty days after the primary election except for \$4,000 to be used for in-office constituent communications. Expenditures for these communications shall not exceed \$2,000 per year or \$4,000 for a two-year term.

If the total surplus for a certified candidate who is elected to office falls under \$4,000, the office holder shall be allowed to raise the difference with private contributions in an aggregate amount of \$2,000 per year; provided that the contributions are received from an individual and each individual shall be limited to contributing \$250 for the election period. The candidate also may use surplus campaign funds together with public funds and private contributions but aggregate expenditures for these communications shall not exceed \$2,000 per year or \$4,000 for a two-year term.

A certified candidate who is not successful in the general election shall return all unexpended public funds to the Hawaii Election Campaign Fund within thirty days after the election.

### Post General Election Expenditure Report

A post-election report shall be filed on the Candidate Filing System no later than thirty days after a general election. The report shall include information regarding all expenditures made, 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 must be itemized to permit a reasonable person to determine the ultimate intended recipient of the expenditure and its purpose.

### **Office Holder Cannot Accept Private Contributions**

A certified candidate who is elected to office in 2012 shall not accept private contributions, except for seed money contributions, until either September 1, 2013, or the date when the Commission determines there are insufficient funds for comprehensive public funding for the 2014 Hawaii County Council election, whichever occurs earlier.

## **CHAPTER XI: AUDIT and ENFORCEMENT**

Both Act 244 and Part XIII of Chapter 11, HRS, authorize audits of committees. A certified candidate and the certified candidate's committee shall furnish to the Commission complete campaign records, including all records of seed money contributions, qualifying contributions and expenditures. A candidate shall fully cooperate with any audit or examination by the Commission.

The Commission also has enforcement authority and may issue an order affecting any person violating any laws in Part XIII of chapter 11, HRS, and may assess an administrative fine as follows:

- (1) If a natural person, 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, whichever is greater; or
- (2) If a corporation, organization, association, or labor union, it shall be punished by a fine not exceeding \$1,000 for each occurrence; and
- (3) Whenever a corporation, organization, association, or labor union violates this subpart, the violation shall 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.

## **CHAPTER XII: SURPLUS CAMPAIGN FUNDS; CAMPAIGN MATERIAL**

### **Surplus Campaign Funds**

"Surplus campaign funds" means any campaign contributions not spent during a prior election period by a participating candidate who previously sought election as a privately funded candidate.

The surplus campaign funds can only be used for seed money and in-office constituent communications. A candidate's expenditures for these communications from all funds, including surplus funds, shall not exceed \$2,000 per year or \$4,000 for a two-year term.

Once a candidate is certified, the surplus funds must be frozen and maintained in a separate depository account from that established for the comprehensive public funds. Reports regarding the surplus campaign funds must be filed, pursuant to Reporting Schedule 1, which is available on the Commission's website.

These surplus funds remain frozen even if the Commission determines that the revenues are insufficient to meet distributions to certified candidates or \$300,000 is distributed. If either event occurs, a certified candidate may “accept and spend contributions, subject to the campaign contribution limitations set forth in section 11-357, HRS, up to the applicable amounts the certified candidate would have received from comprehensive public funding,” but cannot access any surplus campaign funds.

### **Campaign Material**

Any campaign material purchased or held from a date prior to filing the “Declaration of Intent to Seek Comprehensive Public Funds” cannot be used upon certification for comprehensive public funding and until the end of the general election campaign period.