



Republic of Palau
Office of the President

Tommy E. Remengesau, Jr.
President

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November 8, 2017
Serial No. 17-351

The Honorable Hokkons Baules
President of the Senate
10th Olbiil Era Kelulau
Ngerulmud, Palau National Capitol
Republic of Palau 96939

Re: Campaign Reform

Dear President Baules:

It is my pleasure to propose the attached bill to reform campaign financing, and in so doing to help ensure a transparent and open election process for future generations of Palauan voters. Free elections are the key to free societies.

The simple right to vote is not enough to guarantee a free election. That is why these proposed reforms go beyond establishing a simple right to vote, and aim for the freedom to vote without fear of retribution. This is essential to any healthy democratic system.

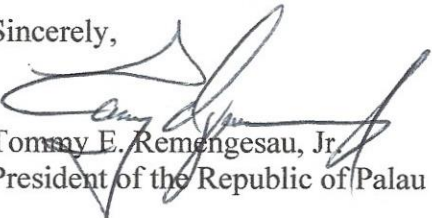
Wealth should not be the determining factor in the success of a candidate. These amendments are, accordingly, also designed to preclude the elite from dictating election results. By capping contribution amounts, we will ensure that candidates are chosen based on merit, not based on how much money is funneled into their campaign accounts.

The right to vote freely and openly for a candidate of one's choice, without fear of retribution, is what makes a true democracy. These amendments serve to safeguard our future by protecting those essential rights.



Thank you for working with me in this effort to reform campaign financing. My office stands ready to provide any further information that you might require. I look forward to continuing this work together.

Sincerely,

A handwritten signature in black ink, appearing to read "Tommy E. Remengesau, Jr.", is written over the printed name and title.

Tommy E. Remengesau, Jr.
President of the Republic of Palau



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November 8, 2017
Serial No. 17-351

The Honorable Sabino Anastacio
Speaker of the House of Delegates
10th Olbiil Era Kelulau
Ngerulmud, Palau National Capitol
Republic of Palau 96939

Re: Campaign Reform

Dear Speaker Anastacio:

It is my pleasure to propose the attached bill to reform campaign financing, and in so doing to help ensure a transparent and open election process for future generations of Palauan voters. Free elections are the key to free societies.

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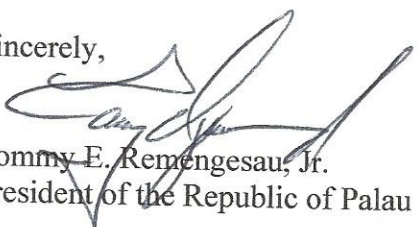
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Sincerely,



Tommy E. Remengesau, Jr.
President of the Republic of Palau

A BILL FOR AN ACT

To amend Titles 33 and 23 of the Palau National Code to reform the financing of campaigns for elected office, to prohibit direct and indirect bribery of and attempts to bribe voters, to increase the penalties for violations, and for other related purposes.

THE PEOPLE OF PALAU REPRESENTED IN THE OLBIL ERA KELULAU DO ENACT AS FOLLOWS:

Section 1. Amendment. Chapter 6 of Title 33 of the Palau National Code is hereby amended as follows:

“§ 601. Definitions.

...

(b) “Candidate” means any individual who has filed nomination papers with the Election Commission, or who is actively campaigning, or who has received a contribution or made an expenditure for nomination or election to any national or state elective office. An elected officer is deemed to be a candidate until he files a statement with the Ethics Commission stating that he does not intend to seek reelection to the office he currently holds or to seek election to any other office, and that he will not accept any further contributions or make any further expenditures of contributions after the filing of the statement.

...

§ 607. Acceptance and use of contributions.

(a) It shall be unlawful for a foreign national directly or through any other person to make any contribution in connection with an election to any national or state elective office, or in connection with any convention or caucus to select candidates for any national or state elective office or in support of or in opposition to any national or state ballot measure; or for any person, including any candidate, to solicit, accept, or receive any such contribution from a foreign national.

(b) No contribution of two hundred fifty dollars (\$250) or more may be made unless by check or money order, drawn on a bank located in the Republic, containing the name of the contributor and the name of the payee. No expenditure of two hundred fifty dollars (\$250) or more may be made in cash.

(c) No contribution may be made, directly or indirectly, by any person in a name other than the name by which the person is identified for legal purposes. . . .

(d) A contribution may only be made by, and at the time of donation must be held in the name of, a natural person who is or will be of legal age to vote in the election for which the contribution is made. No contribution may be made by or received from any non-natural person, including any corporation, partnership, association or other entity.

(e) No person's total contribution(s) to a single candidate in one election cycle may exceed one thousand dollars (\$1,000).

~~(d)~~(f) Unless returned to the contributor, all monetary contributions shall be deposited into a single account in a bank located in the Republic within seventy two (72) hours of their receipt, and all expenditures of two hundred fifty dollars (\$250) or more shall be made by way of a check drawn on this account. The candidate shall inform the Commission of the name of the bank and the account number within five business days of establishing the account.

~~(e)~~(g) A candidate may expend contributions only for purposes reasonably related to the election of that candidate to the office sought by the candidate.

~~(f)~~(h) No employee may, as a candidate or on behalf of any other candidate, solicit, accept, or receive, directly or indirectly, any contribution, under circumstances in which a reasonable person, in the position of the employee, would believe that the contribution is intended to influence the employee in the performance of the employee's official duties or is intended as a reward for any official action on the employee's part.

~~(g)~~(i) No employee or candidate may use, or promise, threaten or attempt to use, any actual or anticipated government authority to assist or obstruct any individual in obtaining any employment, nomination, confirmation, promotion, or change in compensation or employment, in exchange for the individual agreeing to vote or contribute to, or to withhold his vote for or contribution to, any candidate, whether such understanding is express or implied.

~~(h)~~(j) No candidate for the office of the President or Vice President of the Republic may, directly or indirectly, solicit a contribution from any employee of the executive branch of the national government with knowledge that the person from whom the contribution is solicited is an employee of the executive branch of the national government. No candidate for the Olbiil Era

Kelulau may, directly or indirectly, solicit a contribution from any employee of the Olbiil Era Kelulau with knowledge that the person from whom the contribution is solicited is an employee of Olbiil Era Kelulau. No candidate for the chief executive office of any state may, directly or indirectly, solicit a contribution from any employee of the executive branch of that state with knowledge that the person from whom the contribution is solicited is an employee of the executive branch of that state. No candidate for any state legislature may, directly or indirectly, solicit a contribution from any employee of that state legislature with knowledge that the person from whom the contribution is solicited is an employee of that state legislature. This subsection shall not prohibit a candidate from requesting contributions from an employee if the solicitation is part of a solicitation made to a significant segment of the public which may include employees.

~~(i)~~(k) No employee may participate in political activities of any kind while in uniform.

(l) No private employer may:

(i) directly or indirectly solicit a contribution from any employee if the private employer has knowledge that the person from whom the contribution is solicited is an employee of the private employer. This subsection shall not prohibit a candidate from requesting contributions from an employee if the solicitation is part of a solicitation made to a significant segment of the public which may include employees; or

(ii) use, or promise, threaten or attempt to use, any actual or anticipated authority as a private employer to assist or obstruct any individual in obtaining any employment, promotion, or change in compensation or employment, in exchange for the individual agreeing to vote or contribute to, or to withhold his vote for or contribution to, any candidate, whether such understanding is express or implied.

(m) No candidate's total contribution(s) to their own campaign for elected office may exceed five-hundred thousand dollars (\$500,000).

(n) No candidate's total expenditure(s) in a single campaign for elected office may exceed five-hundred thousand dollars (\$500,000).

...

§ 611. Penalties.

(a) Criminal penalties.

(i) Any person who knowingly or willfully violates any provision of this chapter, ~~excepting subsections (a), (d), (e), (g), (h), (i), (l)(ii), (m), or (n) of §607,~~ is guilty of a misdemeanor. In addition to other penalties provided by law, a fine of not less than one thousand dollars (\$1,000) up to nor more than ten ~~twenty~~ thousand dollars (~~\$120,000~~) shall be imposed for each violation. For violations of the reporting requirements, a fine of up to three (3) times the amount the person failed to report properly may be imposed for conviction of each violation. ~~Prosecution under this subsection must be commenced within four (4) years after the date on which the violation occurred, or in the case of a public official, four (4) years after the public official leaves government service. Prosecution under this section may be undertaken by the Attorney General or Special Prosecutor.~~

(ii) Any person who knowingly or willfully violates subsections (a), (d), (e), (g), (h), (i), (l)(ii), (m), or (n) of §607 is guilty of a felony. In addition to other penalties provided by law, a fine of not less than ten thousand dollars (\$10,000) nor more than one hundred thousand dollars (\$100,000) and imprisonment for not less than one (1) year nor more than ten (10) years shall be imposed for each violation. If the violator is a legal entity and not a natural person, any fine(s) imposed under this section shall be trebled.

(iii) Prosecution under this subsection must be commenced within four (4) years after the date on which the violation occurred, or in the case of a public official, four (4) years after the public official leaves government service. Prosecution under this section may be undertaken by the Attorney General or Special Prosecutor.

...”

Section 2. Amendment. Section 110 of Title 23 of the Palau National Code is hereby amended as follows:

“§ 110. Prohibitions, penalties.

(a) Whoever . . . directly or indirectly pays or offers to pay or accepts payment either for registration to vote or for voting in any election or referendum shall upon conviction thereof, be fined not less than ~~two~~ ten thousand dollars (~~\$210,000~~) nor more than ~~ten~~ one hundred thousand dollars (\$100,000) ~~or~~ and shall be imprisoned not less than one (1) year nor more than ~~five~~ ten

(~~\$10~~) years, ~~or both~~. As used in this section, "payment" includes, but is not limited to, any transfer, distribution, loan or other financing agreement, debt forgiveness or forbearance, gift, or other rendering of money, property, services or anything else of value, whether tangible or intangible.

...

(d) Whoever, whether under color of law or otherwise, and whether expressly or implicitly, shall coerce, intimidate, or threaten, or attempt to coerce, intimidate, or threaten any person for voting or attempting to vote, or coerce, intimidate, or threaten any person for urging or aiding any persons to vote or attempt to vote, or coerce, intimidate, or threaten any person for exercising any lawful right, power or duty pursuant to this chapter shall upon conviction thereof, be fined not less than ~~five~~fifteen thousand dollars (~~\$5~~15,000) nor more than ~~twenty one~~ hundred fifty thousand dollars (~~\$2~~150,000) ~~or and~~ imprisoned not less than one year nor more than ten (~~10~~) years, ~~or both~~."

Section 3. Amendment. 23 PNC § 1006 is hereby amended as follows:

"§ 1006. Intimidating or bribing voter.

Every person who shall, directly or indirectly, in any manner:

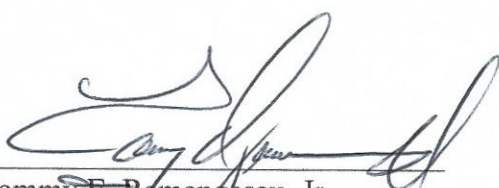
(a) bribe, intimidate, or threaten a voter, or attempt to bribe, intimidate, or threaten a voter, in order to induce or compel him to vote or refrain from voting at any election, or to vote or refrain from voting for any particular person at any election; ~~or~~

~~(b) bribe or attempt to bribe any voter in giving his vote, or to deter him from giving it,~~
shall be fined not less than ten thousand dollars (\$10,000) nor more than one hundred thousand dollars (~~\$100~~,000), ~~or and~~ imprisoned for not less than one (1) year nor more than one ten (10) years, ~~or both~~. Each intimidation, threat or bribe shall constitute a separate offense. For the purposes of this section, "intimidation, threat, or bribe" shall include, but not be limited to, offering or withholding any payment, transfer, distribution, loan or other financing agreement, debt forgiveness or forbearance, gift, or other rendering of money, property, services or anything else of value, whether tangible or intangible."

Section 4. Effective Date. This Act shall take effect upon approval by the President of the Republic of Palau or upon becoming law without such approval.

House Bill No. _____

Date: 11/8/17

Introduced by: 
Tommy E. Remengesau, Jr.
President of the Republic of Palau