

JAN 27 2010

S.B. NO. 2918

A BILL FOR AN ACT

RELATING TO ELECTIONS.

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

1 SECTION 1. The legislature finds that recent decisions of
2 the United States Supreme Court and the Hawaii intermediate
3 court of appeals have granted corporations an increased ability
4 to influence elections through campaign expenditures and
5 contributions. In *Citizens United v. Federal Election*
6 *Commission*, No. 08-205 (2010), the United States Supreme Court
7 ruled that the government may not ban corporations from
8 supporting candidates through independent political campaign
9 communications. In *Charmaine Tavares Campaign v. Wong*, 121 H.
10 249 (2009), the Hawaii intermediate court of appeals found that
11 state law does not require corporations to make candidate
12 contributions through a noncandidate committee, nor require
13 reporting of their contributions to candidates. Accordingly,
14 the legislature also finds that these court decisions allow the
15 State to limit corporate contributions to the corporation's own
16 noncandidate committee.

17 The legislature further finds that Hawaii campaign laws
18 allow corporations to expend unlimited funds from their



1 corporate treasuries, without any report requirement, to
2 influence elections, so long as the expenditures are not
3 coordinated with candidates or other noncandidate committees
4 seeking to influence ballot questions. The legislature believes
5 that such expenditures should be reported by corporations, and
6 further believes that direct contributions to candidates or
7 noncandidate committees should be limited in order to ensure
8 fair elections and maintain public trust.

9 The purpose of this Act is to prohibit corporations from
10 making contributions directly to candidates or noncandidate
11 committees, except through a noncandidate committee it forms
12 pursuant to chapter 11, Hawaii Revised Statutes, and to require
13 individuals who contribute at least \$1,000 in an election period
14 to register as noncandidate committees. The Act also places a
15 \$1,000 limit on the amount of treasury funds that a corporation
16 may contribute to its noncandidate committee, except that this
17 limit does not apply to a corporation that forms a noncandidate
18 committee solely for the purpose of making independent
19 expenditures.

20 SECTION 2. Chapter 11, Hawaii Revised Statutes, is amended
21 by adding two new sections to be appropriately designated and to
22 read as follows:



1 "§11-A Campaign contributions; noncandidate committees.

2 Every person shall be prohibited from making contributions to
3 candidates or noncandidate committees unless the person is
4 registered as a noncandidate committee. For purposes of this
5 section, "person" does not include an individual.

6 §11-B Campaign contributions by individuals; registration

7 as noncandidate committees. An individual who makes a
8 contribution or expenditure in an aggregate amount of \$1,000 or
9 more in an election period to influence the nomination for
10 election, the election of any candidate to political office, or
11 for or against any issue on the ballot, shall register as a
12 noncandidate committee."

13 SECTION 3. Section 11-204, Hawaii Revised Statutes, is
14 amended by amending subsection (b) to read as follows:

15 "(b) No person or any other entity shall make
16 contributions to a noncandidate committee, in an aggregate
17 amount greater than \$1,000 in an election[-]; except that in the
18 case of a person other than an individual using funds from its
19 treasury, there shall be a \$1,000 limit on contributions or
20 expenditures to a noncandidate committee of a person other than
21 an individual that may contribute to a candidate; provided that
22 the person other than an individual that forms a noncandidate



1 committee for the sole purpose of making independent
2 expenditures shall not have a limit on contributions or
3 expenditures to such a noncandidate committee."

4 SECTION 4. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY: *[Signature]*



Report Title:

Elections; Campaign Contributions; Expenditures

Description:

Prohibits persons other than individuals from making contributions directly to candidates or noncandidate committees, except through noncandidate committees. Requires individuals who make contributions or expenditures in an aggregate amount of \$1,000 or more during an election period to register as a noncandidate committee. Prohibits persons other than an individual from using treasury funds to make more than \$1,000 in contributions or expenditures to a noncandidate committee of a person other than an individual that may contribute to a candidate. Exempts from the prohibition persons other than individuals when noncandidate committees are formed for the sole purpose of making independent expenditures.

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