

JAN 23 2009

S.B. NO. 181

A BILL FOR AN ACT

RELATING TO CAMPAIGN CONTRIBUTIONS.

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

- 1 SECTION 1. The purpose of this Act is to amend the
2 campaign spending law by:
- 3 (1) Prohibiting a corporation or company from making a
4 campaign contribution from its treasury directly to:
- 5 (A) A candidate or candidate's committee;
- 6 (B) A noncandidate committee other than one
7 established by the corporation or company; or
- 8 (C) A political party;
- 9 (2) Permitting a corporation or company to contribute from
10 its treasury not more than \$25,000 in each two-year
11 election period to one noncandidate committee
12 established by the corporation or company; and
- 13 (3) Allowing a corporation's or company's noncandidate
14 committee to make a campaign contribution directly to
15 a candidate, candidate's committee, other noncandidate
16 committee, or political party under the same
17 conditions and restrictions as applicable to a
18 "person".



1 SECTION 2. Section 11-204, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§11-204 Campaign contributions; limits as to persons[-];
4 prohibitions on corporations and companies.

5 (a) (1) [~~No~~] Except as otherwise provided under paragraph (2),
6 no person or any other entity shall make contributions
7 to:

8 (A) A candidate seeking nomination or election to a
9 two-year office or to the candidate's committee
10 in an aggregate amount greater than \$2,000 during
11 an election period;

12 (B) A candidate seeking nomination or election to a
13 four-year statewide office or to the candidate's
14 committee in an aggregate amount greater than
15 \$6,000 during an election period; and

16 (C) A candidate seeking nomination or election to a
17 four-year nonstatewide office or to the
18 candidate's committee in an aggregate amount
19 greater than \$4,000 during an election period.

20 These limits shall not apply to a loan made to a
21 candidate by a financial institution in the ordinary
22 course of business;



1 (2) No corporation or company shall make any contribution
2 from its treasury directly to a candidate or
3 candidate's committee; provided that this prohibition
4 shall not apply to a noncandidate committee
5 established by the corporation or company. The laws
6 that govern contributions made by a "person" shall
7 apply to a noncandidate committee established by a
8 corporation or company;

9 [~~+2~~] (3) For purposes of this section, the length of term
10 of an office shall be the usual length of term of the
11 office as unaffected by reapportionment, a special
12 election to fill a vacancy, or any other factor
13 causing the term of the office the candidate is
14 seeking to be less than the usual length of term of
15 that office.

16 (b) (1) No person or any other entity shall make contributions
17 to a noncandidate committee[7] in an aggregate amount
18 greater than \$1,000 in an election[-]; provided that a
19 corporation or company may contribute from its
20 treasury an aggregate amount of not more than \$25,000
21 in any two-year election period to not more than one



1 noncandidate committee that is established by the
2 corporation or company;

3 (2) No corporation or company shall make a contribution
4 from its treasury directly to any noncandidate
5 committee other than the one established by the
6 corporation or company; provided that the
7 corporation's or company's noncandidate committee may
8 make a contribution to any other noncandidate
9 committee in accordance with paragraph (1).

10 (c) A candidate's immediate family, in making
11 contributions to the candidate's campaign, shall be exempt from
12 the above limitation, but shall be limited in the aggregate to
13 \$50,000 in any election period. The aggregate amount of \$50,000
14 shall include any loans made for campaign purposes to the
15 candidate from the candidate's immediate family.

16 (d) A contribution by a dependent minor shall be reported
17 in the name of the minor but shall be counted against the
18 contribution of the minor's parent or guardian.

19 (e) Any candidate, candidate's committee, or committee
20 that receives in the aggregate more than the applicable limits
21 set forth in this section in any primary, initial special,
22 special, or general election from a person, shall be required to



1 return any excess contribution to the original donor within
2 thirty days of receipt of the excess contribution. Any excess
3 contribution not returned to the original donor within thirty
4 days shall escheat to the Hawaii election campaign fund. A
5 candidate, candidate's committee, or committee who complies with
6 this subsection prior to the initiation of prosecution shall not
7 be subject to any penalty under section 11-228.

8 (f) All payments made by a person or political party whose
9 contributions or expenditure activity is financed, maintained,
10 or controlled by any corporation, labor organization,
11 association, political party, or any other person or committee,
12 including any parent, subsidiary, branch, division, department,
13 or local unit of the corporation, labor organization,
14 association, political party, political committees established
15 and maintained by a national political party, or any other
16 person, or by any group of those persons shall be considered to
17 be made by a single person or political party.

18 (g) An individual and any general partnership in which the
19 individual is a partner shall be treated as one person.

20 (h) No committee that supports or opposes a candidate for
21 public office shall have as officers individuals who serve as
22 officers on any other committee which supports or opposes the



1 same candidate. No such committee shall act in concert with, or
2 solicit or make contributions on behalf of, any other committee.

3 (i) No contributions or expenditures shall be made to or
4 on behalf of a candidate or committee by a foreign national or
5 foreign corporation, including a domestic subsidiary of a
6 foreign corporation, a domestic corporation that is owned by a
7 foreign national, or a local subsidiary where administrative
8 control is retained by the foreign corporation, and in the same
9 manner prohibited under 2 United States Code section 441e and 11
10 Code of Federal Regulations 110.20, as amended. No foreign-
11 owned domestic corporation shall make contributions where:

12 (1) Foreign national individuals participate in election-
13 related activities such as decisions concerning the
14 making of contributions or the administration of a
15 political committee; or

16 (2) The contribution funds are not domestically-derived.

17 (j) No person or any other entity other than political
18 committees established and maintained by a national political
19 party shall make contributions to a political party in an
20 aggregate amount greater than \$25,000 in any two-year election
21 period. No political committee established and maintained by a
22 national political party, shall make contributions to a



1 political party in an aggregate amount greater than \$50,000 in
2 any two-year election period.

3 No corporation or company shall make any contribution from
4 its treasury directly to a political party; provided that this
5 prohibition shall not be construed as applying to a noncandidate
6 committee established by the corporation or company. A
7 corporation's or company's noncandidate committee may make a
8 contribution to a political party in accordance with the same
9 conditions and restrictions as applicable to a "person".

10 (k) For the purpose of this section, "company" means a
11 partnership, limited liability company, limited liability
12 partnership, financial institution, or any other entity engaged
13 in business.

14 ~~[(k)]~~ (l) The contribution limits under this section shall
15 apply for the office sought by the candidate. This section
16 shall not apply to ballot issue committees."

17 SECTION 3. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

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B/R



Report Title:

Elections; Campaign Contributions

Description:

Prohibits a corporation or company from making campaign contributions directly from its treasury to a candidate, candidate's committee, noncandidate's committee, or political party. Permits a corporation or company to make a contribution of no more than \$25,000 from its treasury to one noncandidate committee established by the corporation or company. Allows a corporation's or company's noncandidate committee to make campaign contributions to candidates, candidate committees, other noncandidate committees, and political parties in accordance with existing law.

