
A BILL FOR AN ACT

RELATING TO CAMPAIGN FINANCE.

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

1 SECTION 1. Chapter 11, Hawaii Revised Statutes, is amended
2 by adding a new section to subpart E of part XIII to be
3 appropriately designated and to read as follows:

4 "§11- Contributions, expenditures, and independent
5 expenditures by corporations; shareholder approval and notices
6 required. (a) No corporation shall make any contribution or
7 expenditure to or on behalf of any candidate, candidate
8 committee, or noncandidate committee, or make any independent
9 expenditure, unless the shareholders of the corporation, by the
10 affirmative vote of a majority of all votes entitled to be cast,
11 have:

12 (1) Authorized in advance the total amount of money or
13 property that may be used for all contributions,
14 expenditures, and independent expenditures during a
15 specific fiscal year of the corporation; and
16 (2) Directed that a contribution, expenditure, or
17 independent expenditure be used for:



- 1 (A) Specified candidates;
- 2 (B) Candidates of specified political parties;
- 3 (C) Specified political parties;
- 4 (D) Specified political committees;
- 5 (E) Specified entities exempt from taxation under
6 section 501(c) (4) or (6) of the Internal Revenue
7 Code; or
- 8 (F) Specified questions that have been certified to
9 appear on the ballot.

10 A corporation shall include in its bylaws voting procedures
11 that comply with the requirements of this subsection.

12 (b) The distribution of a news story, commentary,
13 editorial, book, or documentary in the ordinary course of
14 business by a press organization owned or controlled by a
15 corporation shall not be considered a contribution, expenditure,
16 or independent expenditure for the purposes of this section.

17 (c) Shareholder consideration of contributions,
18 expenditures, and independent expenditures shall occur at an
19 annual or special meeting of the shareholders.



1 (d) Within forty-eight hours after making any
2 contribution, expenditure, or independent expenditure pursuant
3 to this section, a corporation shall provide notice thereof:

4 (1) By electronic transmission to each shareholder that
5 has requested notice; and

6 (2) On each publicly accessible website that the
7 corporation maintains.

8 (e) Each notice provided pursuant to subsection (d) (1) or
9 (2) shall include the following information for each
10 contribution, expenditure, or independent expenditure:

11 (1) The amount and date of disposition;

12 (2) The recipient; and

13 (3) The purpose, including the identity of the subject
14 candidate or ballot question and whether the
15 contribution, expenditure, or independent expenditure
16 was made to support or oppose the candidate or ballot
17 question.

18 (f) The annual report of the corporation shall include a
19 list of all contributions, expenditures, and independent
20 expenditures made by the corporation during the reporting



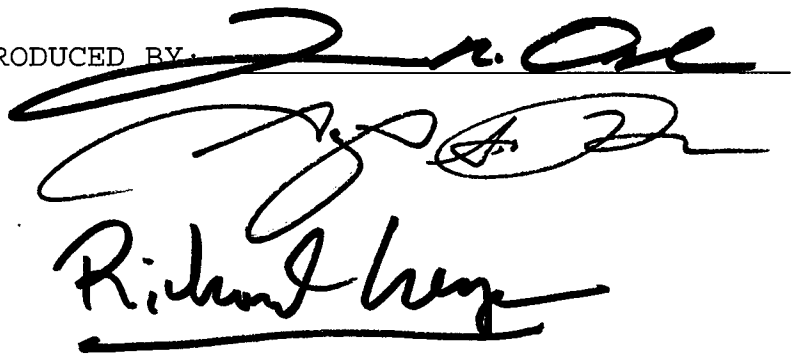
1 period, including the information required under subsection
2 (e)."

3 SECTION 2. New statutory material is underscored.

4 SECTION 3. This Act shall take effect upon its approval.

5

INTRODUCED BY:



JAN 20 2017



H.B. NO. 366

Report Title:

Elections; Campaign Finance; Corporations; Shareholder Approval of Contributions and Expenditures

Description:

Prohibits corporations from making election contributions, expenditures, or independent expenditures except in accordance with the majority vote of the corporation's shareholders. Requires corporations to provide notices to shareholders and on their publicly accessible websites within forty-eight hours of making a contribution, expenditure, or independent expenditure.

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