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# A BILL FOR AN ACT

RELATING TO CAMPAIGN SPENDING.

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

1           SECTION 1. The legislature finds that additional  
2 disclosure of information regarding election campaign  
3 contributions is necessary due to the decision of *Citizens*  
4 *United v. Federal Election Commission*, 558 U.S. 310 (2010), and  
5 subsequent case law. These decisions have led to the  
6 proliferation of SuperPACs, which are noncandidate committees  
7 that make only independent expenditures, and their virtually  
8 unlimited spending in the political arena. Hawaii's experience  
9 in the election cycles since *Citizens United* has been as  
10 predicted: numerous SuperPACs have been formed, enormous amounts  
11 of money have been expended, and many of the true contributors  
12 remain hidden from the public.

13           *Citizens United* assumed meaningful disclosure so that "the  
14 electorate [can] make informed decisions and give proper weight  
15 to different speakers and messages." However, Hawaii's  
16 disclosure requirements for SuperPACs are inadequate to provide  
17 the electorate with information showing the true source of the



1 funds behind efforts seeking to influence their vote. The  
2 contribution trail is obscured because current law requires only  
3 that the name of the first level of contributor to a SuperPAC be  
4 reported on filings with the State campaign spending commission.  
5 Often the first level of contributor is another SuperPAC and as  
6 the names of SuperPACs are frequently meaningless or misleading,  
7 disclosure laws aimed at transparency are circumvented. For  
8 example, in the 2014 election cycle, contributions totaling  
9 around \$8,000,000 were received by twenty-nine SuperPACs  
10 registered in Hawaii. Two of the top ten SuperPACs in Hawaii  
11 received contributions solely from other SuperPACs, which  
12 included a \$2.2 million contribution from an entity that is not  
13 required to report in Hawaii. Also, three of the top ten  
14 SuperPACs in Hawaii were registered at the same address, made  
15 contributions amongst each other, and the origin of their funds  
16 are entities with unknown contributors.

17 The legislature finds that the State's campaign finance  
18 laws must be amended in order to increase transparency and  
19 accountability, deter corruption, and strengthen confidence in  
20 the election process by providing public access to information



1 about who is the true source of campaign contributions made to  
2 or by SuperPACs.

3 The purpose of this Act is to require SuperPACs to provide,  
4 for large contributions received from an entity that is not an  
5 individual, for-profit business entity, or labor union, the  
6 internet address where that entity's disclosure report can be  
7 accessed. Alternatively, the SuperPAC can provide the name,  
8 address, occupation, and employer of each funding source to that  
9 entity, or state that the contributing entity is not subject to  
10 any state or federal disclosure reporting requirements.

11 SECTION 2. Section 11-323, Hawaii Revised Statutes, is  
12 amended by amending subsection (a) to read as follows:

13 "(a) The noncandidate committee organizational report  
14 shall include:

15 (1) The committee's name, which shall incorporate the full  
16 name of the sponsoring entity, if any. An acronym or  
17 abbreviation may be used in other communications if  
18 the acronym or abbreviation is commonly known or  
19 clearly recognized by the general public. The  
20 committee's name shall not include the name of a  
21 candidate;



- 1           (2) The committee's address, including web page address,  
2           if any;
- 3           (3) The area, scope, or jurisdiction of the committee;
- 4           (4) The name and address of the committee's sponsoring  
5           entity. If the committee does not have a sponsoring  
6           entity, the committee shall specify the trade,  
7           profession, or primary interest of contributors to the  
8           committee;
- 9           (5) The name, address, telephone number, occupation, and  
10          principal place of business of the chairperson;
- 11          (6) The name, address, telephone number, occupation, and  
12          principal place of business of the treasurer and any  
13          other officers;
- 14          (7) An indication as to whether the committee was formed  
15          to support or oppose a specific ballot question or  
16          candidate and, if so, a brief description of the  
17          question or the name of the candidate;
- 18          (8) An indication as to whether the committee is a  
19          political party committee;



- 1           (9) The name, address, telephone number, occupation, and  
2           principal place of business of the custodian of the  
3           books and accounts;
- 4           (10) The name and address of the depository institution in  
5           which the committee will maintain its campaign account  
6           and each applicable account number;
- 7           (11) A certification by the chairperson and treasurer of  
8           the statements in the organizational report; and
- 9           (12) The name, address, employer, and occupation of each  
10          contributor who contributed an aggregate amount of  
11          more than \$100 to the noncandidate committee since the  
12          last election and the amount and date of deposit of  
13          each such contribution[-]; provided that, for  
14          noncandidate committees making only independent  
15          expenditures, if a contribution of more than \$10,000  
16          in the aggregate since the last election is received  
17          from an entity other than an individual, for-profit  
18          business entity, or labor union, then the report shall  
19          additionally state:
- 20          (A) The internet address where the contributing  
21          entity's disclosure report may be publicly



1           accessed, if the contributing entity is subject  
2           to any state or federal disclosure reporting  
3           requirements regarding the source of the  
4           contributing entity's funds;

5           (B) The name, address, occupation, and employer of  
6           each funding source of \$100 or more in the  
7           aggregate since the last election to that  
8           contributing entity; or

9           (C) An acknowledgment that the contributing entity is  
10           not subject to any state or federal disclosure  
11           reporting requirements regarding the source of  
12           the contributing entity's funds."

13           SECTION 3. Section 11-335, Hawaii Revised Statutes, is  
14 amended by amending subsection (b) to read as follows:

15           "(b) Schedules filed with the reports shall include the  
16 following additional information:

17           (1) The amount and date of deposit of each contribution  
18 received and the name, address, occupation, and  
19 employer of each contributor making a contribution  
20 aggregating more than \$100 during an election period,



1 which was not previously reported; provided that if  
2 ~~[all]~~:

3 (A) All the information is not on file, the  
4 contribution shall be returned to the contributor  
5 within thirty days of deposit; and

6 (B) A noncandidate committee making only independent  
7 expenditures receives a contribution of more than  
8 \$10,000 in the aggregate since the last election  
9 from an entity other than an individual, for-  
10 profit business entity, or labor union, then the  
11 schedule shall additionally state:

12 (i) The internet address where the contributing  
13 entity's disclosure report may be publicly  
14 accessed, if the contributing entity is  
15 subject to any state or federal disclosure  
16 reporting requirements regarding the source  
17 of the contributing entity's funds;

18 (ii) The name, address, occupation, and employer  
19 of each funding source that contributed \$100  
20 or more in the aggregate since the last  
21 election to that contributing entity; or

1           (iii) An acknowledgment that the contributing  
2           entity is not subject to any state or  
3           federal disclosure reporting requirements  
4           regarding the source of the contributing  
5           entity's funds.

6           (2) The amount and date of each contribution made and the  
7           name and address of the candidate, candidate  
8           committee, or noncandidate committee to which the  
9           contribution was made;

10          (3) All expenditures, including the name and address of  
11          each payee and the amount, date, and purpose of each  
12          expenditure; provided that:

13           (A) Expenditures for advertisements or electioneering  
14           communications shall include the names of the  
15           candidates supported, opposed, or clearly  
16           identified;

17           (B) Expenditures for consultants, advertising  
18           agencies and similar firms, credit card payments,  
19           salaries, and candidate reimbursements shall be  
20           itemized to permit a reasonable person to





- 1           determine the ultimate intended recipient of the  
2           expenditure and its purpose;
- 3           (C) Independent expenditures shall include the name  
4           of any candidate supported, opposed, or clearly  
5           identified; and
- 6           [+] (D) [+] The purpose of an independent expenditure shall  
7           include the name of the candidate who is  
8           supported or opposed by the expenditure, and  
9           whether the expenditure supports or opposes the  
10          candidate;
- 11          (4) For noncandidate committees making only independent  
12          expenditures, certification that no expenditures have  
13          been coordinated with a candidate, candidate  
14          committee, or any agent of a candidate or candidate  
15          committee;
- 16          (5) The amount, date of deposit, and description of other  
17          receipts and the name and address of the source of  
18          each of the other receipts;
- 19          (6) A description of each durable asset, the date of  
20          acquisition, value at the time of acquisition, and the



1 name and address of the vendor or contributor of the  
2 asset; and

3 (7) The date of disposition of a durable asset, value at  
4 the time of disposition, method of disposition, and  
5 name and address of the person receiving the asset."

6 SECTION 4. Section 11-338, Hawaii Revised Statutes, is  
7 amended by amending subsection (b) to read as follows:

8 "(b) The late contribution report shall include the  
9 following information:

10 (1) Name, address, occupation, and employer of the  
11 contributor;

12 (2) Name of the candidate, candidate committee, or  
13 noncandidate committee making or receiving the  
14 contribution; provided that, for noncandidate  
15 committees making only independent expenditures, if a  
16 late contribution of more than \$10,000 in the  
17 aggregate is received from an entity other than an  
18 individual, for-profit business entity, or labor  
19 union, then the report shall additionally state:

20 (A) The internet address where the contributing  
21 entity's disclosure report may be publicly



1           accessed, if the contributing entity is subject  
2           to any state or federal disclosure reporting  
3           requirements regarding the source of the  
4           contributing entity's funds;

5           (B) The name, address, occupation, and employer of  
6           each funding source of more than \$100 in the  
7           aggregate since the last election to that  
8           recipient entity; or

9           (C) An acknowledgment that the contributing entity is  
10           not subject to any state or federal disclosure  
11           reporting requirements regarding the source of  
12           the contributing entity's funds;

13           (3) The amount of the contribution received;

14           (4) The amount of the contribution made;

15           (5) The contributor's aggregate contributions to the  
16           candidate, candidate committee, or noncandidate  
17           committee; and

18           (6) The purpose, if any, to which the contribution will be  
19           applied, including, for contributions to a  
20           noncandidate committee, the name of any candidate  
21           supported, opposed, or clearly identified."



1 SECTION 5. This Act does not affect rights and duties that  
2 matured, penalties that were incurred, and proceedings that were  
3 begun before its effective date.

4 SECTION 6. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6 SECTION 7. This Act shall take effect on July 1, 2030.



**Report Title:**

Campaign Spending; Noncandidate Committees

**Description:**

Requires noncandidate committees making only independent expenditures to report whether their contributors of \$10,000 or more are subject to disclosure reporting requirements and provide information about the contributor's funding sources.  
(HB1491 HD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

