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## A BILL FOR AN ACT

RELATING TO INTERNAL REVENUE CODE SECTION 501(C) (4)  
ORGANIZATIONS.

**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 B of part XII to be  
3 appropriately designated and to read as follows:

4           "§11- Internal Revenue Code section 501(c) (4)  
5 organizations; disclosures; communications. (a) An  
6 organization that is exempt from federal taxation under Internal  
7 Revenue Code section 501(c) (4) shall file semi-annual reports  
8 with the commission if the organization directly spends more  
9 than \$10,000 in a calendar year, or provides another entity with  
10 more than \$10,000 in a calendar year, to make one or more  
11 communications that refer to and advocate for, or against, a  
12 clearly identified elected official or the position of any  
13 elected official related to an official government action.

14           (b) The reports shall be made on forms created by the  
15 commission and shall identify any donor that gave the  
16 organization \$1,000 or more during the six-month reporting



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1 period, regardless of whether the donor intended to fund any  
2 election activity.

3 (c) The semi-annual reports shall be filed with the  
4 commission on June 30 and December 31 of each year.

5 (d) This section shall not apply if:

6 (1) The communications are sent to persons who:

7 (A) Contribute funds to the organization;

8 (B) Who are members of the organization; or

9 (C) Have the right to vote on organizational matters  
10 relating to the organization;

11 (2) The communications are made to the media or relate to  
12 efforts to promote non-partisan debates or similar  
13 forums; or

14 (3) The organization files preliminary, final, and  
15 supplemental reports with the commission as a  
16 noncandidate committee.

17 (e) For the purposes of this section, the term  
18 "communications" includes internet communications such as online  
19 advertisements, websites, social media pages, and mass emails."

20 SECTION 2. New statutory material is underscored.




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

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INTRODUCED BY:

  
JAN 19 2017



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**Report Title:**

Nonprofit Organizations; Employee Associations; Disclosures;  
Campaign Spending Commission; Communications

**Description:**

Requires an organization that is exempt from federal taxation under IRC section 501(c)(4) to submit semi-annual reports to the campaign spending commission if the organization expends funds to make communications that advocate for or against elected officials or their positions on government actions.

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