## ACT 187

H.B. NO. 165

## A Bill for an Act Relating to Elections.

## Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 11-191, Hawaii Revised Statutes, is amended by adding a new definition to read as follows:

<u>""Political committees established and maintained by a national political</u> means:

- (1) The National Committee;
- (2) The House Campaign Committee; and
- (3) The Senate Committee."

SECTION 2. Section 11-191, Hawaii Revised Statutes, is amended by amending the definition of "contribution" to read as follows:

""Contribution" means:

- (1) A gift, subscription, deposit of money or anything of value, or cancellation of a debt or legal obligation and includes the purchase of tickets to fundraisers for the purpose of:
  - (A) Influencing the nomination for election, or election, of any person to office;
  - (B) Influencing the outcome of any question or issue that appears or is reasonably certain to appear on the ballot at the next applicable election described in subparagraph (A); or
  - Use by any party <u>or committee</u> for the purposes set out in subparagraph (A) or (B);
- (2) The payment, by any person, political party, or any other entity other than a candidate or committee, of compensation for the personal services or services of another person [which] that are rendered to the candidate or committee without charge or at an unreasonably low charge for the purposes set out in paragraph (1)(A), (1)(B), or (1)(C);
- (3) A contract, promise, or agreement to make a contribution; provided that notwithstanding this paragraph and paragraphs (1) and (2), the term "contributions" shall not include services or portions thereof voluntarily provided without reasonable compensation by individuals to or in behalf of a candidate or committee; or
- (4) Notwithstanding paragraphs (1), (2), and (3), a candidate's expenditure of the candidate's own funds or the making of a loan or advance in the pursuit of the candidate's campaign shall not be a contribution for the purpose of this subpart but shall nevertheless be reportable as a campaign receipt."

SECTION 3. Section 11-204, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) No person, political party, political committees established and maintained by a national political party, or any other entity shall make contributions to:

- (1) A candidate seeking nomination or election to a two-year office or to the candidate's committee in an aggregate amount greater than \$2,000 during an election period; [and]
- (2) A candidate seeking nomination or election to a four-year statewide office or to the candidate's committee in an aggregate amount greater than \$6,000 during an election period; and
- (3) A candidate seeking nomination or election to a four-year nonstatewide office or to the candidate's committee in an aggregate amount greater than \$4,000 during an election period.

These limits shall not apply to a loan made to a candidate by a financial institution in the ordinary course of business."

2. By amending subsection (f) to read:

"(f) All payments made by a person <u>or political party</u> whose contributions or expenditure activity is financed, maintained, or controlled by any corporation, labor organization, association, political party, or any other person or committee, including any parent, subsidiary, branch, division, department, or local unit of the corporation, labor organization, association, political party, political committees established and maintained by a national political party, or any other person, or by any group of those persons shall be considered to be made by a single person[.] <u>or political party.</u>"

3. By amending subsection (1) to read as follows:

"(1) No person or any other entity <u>other than political committees established and maintained by a national political party shall make contributions to a political party in an aggregate amount greater than [\$50,000] <u>\$25,000</u> in any twoyear election period. <u>No political committee established and maintained by a</u> <u>national political party, shall make contributions to a political party in an aggregate</u> <u>amount greater than \$50,000 in any two year election period.</u>"</u>

SECTION 4. Section 11-205, Hawaii Revised Statutes, is amended to read as follows:

"\$11-205 Campaign contributions; limits as to political parties. [(a) No political party shall make contributions to a candidate in any calendar year in an aggregate amount greater than the following amounts for each respective office:

- (1) For the office of governor—\$50,000;
- (2) For the office of lieutenant governor—\$40,000;
- (3) For the partisan offices of mayor and prosecuting attorney—\$25,000;
- (4) For the offices of state senator and partisan county council member— \$20,000; and
- (5) For the office of state representative—\$15,000.

(b) For the purposes of this section, a] <u>A</u> contribution to a political party which is earmarked for a particular candidate or candidates shall be promptly distributed to such candidate and shall be reported by the candidate upon receipt as an individual contribution. Earmarked funds contributed pursuant to this section shall be counted:

- (1) Toward the contribution limit of the political party donating such funds to a candidate or candidates; and
- (2) Toward the contribution limit of the person or persons contributing such earmarked funds."

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

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

(Approved July 2, 1999.)