The Honorable Donna Mercado Kim,
President
and Members of the Senate
Twenty-Seventh State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Seventh State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 24, 2014, the following bill was signed into law:

SB2118 HD1 RELATING TO CAMPAIGN SPENDING
ACT 140 (14)

Sincerely,

NEIL ABERCROMBIE
Governor, State of Hawaii
A BILL FOR AN ACT

RELATING TO CAMPAIGN SPENDING.

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

SECTION 1. Section 11-426, Hawaii Revised Statutes, is amended to read as follows:

"[§11-426(4)] Candidate exceeds voluntary expenditure limit. A candidate who files the affidavit agreeing to limit expenditures and who exceeds the expenditure limit for that election shall:

(1) Notify all opponents, the chief election officer, office of elections, and the commission by telephone and writing on the day the expenditure limit is exceeded;

(2) Pay the balance of the full filing fee; and

(3) Provide reasonable notice to all contributors within thirty days of exceeding the limit that the expenditure limit was exceeded [and contributions to the candidate no longer qualify for a state income tax deduction]."

SECTION 2. Section 11-424, Hawaii Revised Statutes, is repealed.
(a) An individual resident of Hawaii may claim a state income tax deduction pursuant to section 235-7(g)(2), for contributions to a candidate who files an affidavit pursuant to section 11-423 and does not exceed the expenditure limit.Canceled checks or copies of the same shall be considered adequate receipt forms to attach to the tax form to claim the credit.

(b) The commission shall forward a certified copy of the affidavit to the director of taxation.

(c) If a candidate has not filed the affidavit pursuant to section 11-423, the candidate shall inform all contributors in writing immediately upon receipt of the contribution that they are not entitled to a tax deduction for their contributions to the candidate. The director of taxation shall not allow any contributor to take a deduction pursuant to section 235-7(g)(2), for any contribution to a candidate for a statewide or county office who has not filed the affidavit pursuant to section 11-423."

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 Statutory material to be repealed is bracketed and stricken.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

SECTION 4. This Act shall take effect upon its approval.
S.B. NO. 2118
H.D. 1

APPROVED this 24 day of JUN , 2014

[Signature]

GOVERNOR OF THE STATE OF HAWAII