

Honolulu, Hawaii

MAR 21 2025

RE: H.B. No. 371
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B.
No. 371, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CAMPAIGN CONTRIBUTIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit state or county grantees and officers and immediate family members of state or county contractors or grantees from contributing to candidate or noncandidate committees, candidates, or any person for any political purpose for the duration of the contract;
- (2) Require any unlawful contribution to be returned to the contributor or it will escheat to the Hawaii Election Campaign Fund; and
- (3) Require the Campaign Spending Commission to publish the names of the state and county contractors and grantees, and their officers and adult immediate family members, on its website, as reported by the state and county agencies.

Your Committee received testimony in support of this measure from the Campaign Spending Commission, League of Women Voters of



Hawaii, Hawai'i Alliance for Progressive Action, Kauai Women's Caucus, and twenty-five individuals.

Your Committee received comments on this measure from the State Procurement Office.

Your Committee finds that the State's existing campaign finance law prohibits companies who receive state and county contracts from making campaign contributions. However, officers or family members of the contractor are not subject to the prohibition, meaning that those individuals can still make contributions to election campaigns. Your Committee also finds that there are no campaign prohibitions on organizations that receive grants from the State or counties. These grantees receive public funds appropriated by a legislative body, similar to state or county contractors. This measure will preserve the integrity of the State's electoral and governmental processes and ensure that government continues to work for the public, not special interests.

Your Committee notes that it is unclear whether this measure would apply certain reporting requirements to all contracts, regardless of the dollar value or method of procurement, and that requiring agencies to submit a report for each and every contract will be an administrative burden.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that the prohibitions established by this measure do not prohibit the establishment or administration of, or solicitation of contributions to, any noncandidate committee by a person other than the state or county grantee, or the officers and immediate family members of a state or county contractor or grantee;
- (2) Inserting language that requires disclosures of the names of any officers and immediate adult family members of a state or county contractor or grantee for contracts exceeding a certain amount;
- (3) Deleting language that would have required the Campaign Spending Commission to publish the names of the state



and county contractors and grantees, and their officers and adult immediate family members, on its website, as reported by the state and county agencies; and

- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 371, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 371, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



**Record of Votes
Committee on Judiciary
JDC**

*Only one measure per Record of Votes