JAN 2 1 2011

## A BILL FOR AN ACT

RELATING TO CAMPAIGN CONTRIBUTIONS.

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

1 SECTION 1. Section 11-355, Hawaii Revised Statutes, is 2 amended to read as follows: 3 "[+]\$11-355[+] Contributions by state and county 4 contractors, subcontractors, contract bidders, and applicants 5 for and recipients of grants and subsidies prohibited. shall be unlawful for any person who enters into any contract 6 7 with the State, any of the counties, or any department or agency thereof, or any person who is subcontracted under that contract, 8 9 either for the rendition of personal services, the buying of 10 property, or the furnishing of any material, supplies, or equipment to the State, any of the counties, any department or 11 agency thereof, or for the selling of any land or building to 12 the State, any of the counties, or any department or agency 13 14 thereof, if payment for the performance of the contract or 15 payment for the material, supplies, equipment, land, property, 16 or building is to be made in whole or in part from funds 17 appropriated by the legislative body, at any time between the

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1	execution	of the contract through the completion of the
2	contract,	to:
3	(1)	Directly or indirectly make any contribution, or
4		promise expressly or impliedly to make any
5		contribution to any candidate committee or
6		noncandidate committee, or to any candidate or to any
7		person for any political purpose or use; or
8	(2)	Knowingly solicit any contribution from any person for
9	-	any purpose during any period.
10	(b)	It shall be unlawful, from the time a solicitation is
11	issued und	der section 103D-302, 103D-304, 103D-305, 103D-306, or
12	103D-307 ι	until a contract is entered into, for a person who
13	submits ar	n offer for a solicitation to:
14	(1)	Directly or indirectly make any contribution or to
15		promise expressly or impliedly to make any
16		contribution to any political party, committee, or
17		candidate or to any person for any political purpose
18		or use; or
19	(2)	Knowingly solicit any contribution from any person for
20		any purpose during any period.
21	(c)	It shall be unlawful for any applicant for or
22	recipient	of any grant or subsidy administered under chapter

- 1 42F, at any time between the submission of the grant or subsidy 2 application through the completion or expiration of the grant or 3 subsidy award, to: Directly or indirectly make any contribution to or 4 (1) 5 promise expressly or impliedly to make any contribution to any political party, committee, or 7 candidate or to any person for any political purpose 8 or use; or (2) Knowingly solicit any contribution from any person for 9 10 any purpose during any period. [<del>(b)</del>] (d) Except as provided in [<del>subsection</del>] subsections 11 12 (a), (b), and (c), this section does not prohibit or make unlawful the establishment or administration of, or the 13 14 solicitation of contributions to, any noncandidate committee by any person other than the state or county contractor, 15 16 subcontractor, contract bidder, or applicant for or recipient of 17 grants and subsidies for the purpose of influencing the 18 nomination for election, or the election of any person to 19 office. 20 [<del>(c)</del>] (e) For purposes of this section, "completion of the contract" means that the parties to the government contract have 21 22 either terminated the contract prior to completion of
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- 1 performance or fully performed the duties and obligations under
- 2 the contract, no disputes relating to the performance and
- 3 payment remain under the contract, and all disputed claims have
- 4 been adjudicated and are final. Additionally, for purposes of
- 5 this section, the terms "applicant", "recipient" and "person"
- 6 include members of boards of directors and officers of an entity
- 7 making or soliciting a campaign contribution, or any lobbyist
- 8 acting on their behalf."
- 9 SECTION 2. This Act does not affect rights and duties that
- 10 matured, penalties that were incurred, and proceedings that were
- 11 begun before its effective date.
- 12 SECTION 3. Statutory material to be repealed is bracketed
- 13 and stricken. New statutory material is underscored.
- 14 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:



### Report Title:

Campaign Contributions; State Contracts

### Description:

Prohibits persons soliciting a state contract or applicants for or recipients of state grants or subsidies awarded under chapter 42F from making campaign contributions and also includes subcontractors to a state contract in the prohibition of campaign contributions to a political party, committee, or candidate.

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