

JAN 23 2015

A BILL FOR AN ACT

RELATING TO CAMPAIGNS.

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

SECTION 1. Section 11-355, Hawaii Revised Statutes, is amended to read as follows:

"[~~§~~11-355~~]~~ Contributions by state and county contractors, subcontractors, contract bidders, and applicants for and recipients of grants and subsidies prohibited. (a) It shall be unlawful for any person who enters into any contract with the State, any of the counties, or any department or agency thereof, or any person who is subcontracted under that contract, either for the rendition of personal services, the buying of property, or furnishing of any material, supplies, or equipment to the State, any of the counties, any department or agency thereof, or for selling any land or building to the State, any of the counties, or any department or agency thereof, if payment for the performance of the contract or payment for material, supplies, equipment, land, property, or building is to be made in whole or in part from funds appropriated by the legislative



body, at any time between the execution of the contract through the completion of the contract, to:

(1) Directly or indirectly make any contribution, or promise expressly or impliedly to make any contribution to any candidate committee or noncandidate committee, or to any candidate or to any person for any political purpose or use; or

(2) Knowingly solicit any contribution from any person for any purpose during any period.

(b) It shall be unlawful, from the time a solicitation is issued under section 103D-302, 103D-304, 103D-305, 103D-306, or 103D-307 until a contract is entered into, for a person who submits an offer for a solicitation to:

(1) Directly or indirectly make any contribution or to promise expressly or impliedly to make any contribution to any political party, committee, or candidate or to any person for any political purpose or use; or

(2) Knowingly solicit any contribution from any person for any purpose during any period.



1 (c) It shall be unlawful for any applicant for or
2 recipient of any grant or subsidy administered under chapter
3 42F, at any time between the submission of the grant or subsidy
4 application through the completion or expiration of the grant or
5 subsidy award, to:

6 (1) Directly or indirectly make any contribution to or
7 promise expressly or impliedly to make any
8 contribution to any political party, committee, or
9 candidate or to any person for any political purpose
10 or use; or

11 (2) Knowingly solicit any contribution from any person for
12 any purpose during any period.

13 ~~[(b)]~~ (d) Except as provided in [subsection] subsections
14 (a), (b), and (c), this section does not prohibit or make
15 unlawful the establishment or administration of, or the
16 solicitation of contributions to, any noncandidate committee by
17 any person other than the state or county contractor,
18 subcontractor, contract bidder, or applicant for or recipient of
19 grants and subsidies administered under chapter 42F for the
20 purpose of influencing the nomination for election, or the
21 election of any person to office.



1 (e) Any public contract subject to chapter 103D shall
2 include a provision documenting that the person entering into
3 the contract agrees to be subject to the prohibitions in this
4 section and possible penalties under this part for any
5 violations.

6 [~~e~~] (f) For purposes of this section[~~r~~]:

7 [~~completion~~] "Completion of the contract" means that the
8 parties to the government contract have either terminated the
9 contract prior to completion of performance or fully performed
10 the duties and obligations under the contract, no disputes
11 relating to the performance and payment remain under the
12 contract, and all disputed claims have been adjudicated and are
13 final.

14 The terms "applicant", "recipient", and "person" include
15 members of boards of directors and officers of an entity making
16 or soliciting a campaign contribution, or any lobbyist acting on
17 their behalf."

18 SECTION 2. Section 103D-101, Hawaii Revised Statutes, is
19 amended to read as follows:

20 **"§103D-101 Requirements of ethical public procurement.**

21 (a) All public employees shall conduct and participate in



1 public procurement in an ethical manner. In conducting and
2 participating in procurement, public employees shall:

- 3 (1) Act as a fiduciary and trustee of public moneys;
- 4 (2) Remain independent from any actual or prospective
5 bidder, offeror, contractor, or business;
- 6 (3) Act only in the public interest;
- 7 (4) Abide by the statutes and administrative rules
8 relating to public procurement;
- 9 (5) Identify and maximize efficiencies in the public
10 procurement process;
- 11 (6) Encourage economic competition by:
 - 12 (A) Ensuring that all persons are afforded an equal
13 opportunity to compete in a fair and open
14 environment; and
 - 15 (B) Researching innovative goods and services to meet
16 the public's needs;
- 17 (7) Avoid the intent and appearance of unethical behavior;
- 18 (8) Avoid social interactions with any actual or
19 prospective bidder, offeror, contractor, business, or
20 other interested parties during the procurement
21 process;



(9) Maintain confidentiality in a manner that ensures a fair procurement process;

(10) Remain impartial in dealings with any actual or prospective bidder, offeror, contractor, business, or other interested parties; and

(11) Identify and eliminate any conflicts of interest.

(b) Any actual or prospective bidder, offeror, [†]contractor[†], or business taking part in the conduct of public procurement, shall act in good faith to practice purchasing ethics, and when applicable, display business integrity as a responsible offeror through the public procurement process, including but not limited to the following:

(1) Avoiding the intent and appearance of unethical behavior or business practices;

(2) Refraining from any activity that would create the appearance of impropriety or conflicts of personal interest and the interests of the State or counties;

(3) Identifying and eliminating any conflicts of interest; and

(4) Ensuring that all persons are afforded an equal opportunity to compete in a fair and open environment.



(c) All parties involved in the negotiation, performance, or administration of state contracts shall act in good faith.

(d) All public contracts subject to this chapter shall include a provision documenting that the contractor or business taking part in the conduct of public procurement agrees to be subject to the prohibitions under section 11-355 at any time between the execution through the completion of the contract and the penalties for any violations under chapter 11, part XIII."

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

INTRODUCED BY:





S.B. NO. 650

Report Title:

Campaign Contributions; Procurement; State Contracts;
Contractors; Grants; Subsidies

Description:

Prohibits subcontractors, contract bidders, and applicants for state grants or subsidies along with state contractors and subcontractors from making campaign contributions for the life of the contract. Requires all public contractors to explicitly agree through a provision in their public contracts to be subject to the prohibitions and penalties for any violations of campaign finance laws.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

