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# A BILL FOR AN ACT

RELATING TO CAMPAIGN CONTRIBUTIONS.

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

1           SECTION 1. The legislature finds that the house of  
2 representatives adopted House Resolution No. 9 (2022) to  
3 establish the commission to improve standards of conduct. The  
4 resolution requests the commission ensure state laws and rules  
5 relating to standards of conduct of public officers and  
6 employees contain clear standards, enforcement, and penalties  
7 and provide recommendations to increase awareness of, compliance  
8 with, and deterrent effects of the code of ethics, lobbying  
9 laws, campaign finance laws, and other relevant laws and rules.  
10           Pursuant to House Resolution No. 9, the commission to  
11 improve standards of conduct convened regularly throughout 2022  
12 to diligently review, discuss, and consider the issues  
13 presented, submitted an interim report to the house of  
14 representatives outlining areas of immediate and long-term  
15 focus, then continued its work with input from the public and  
16 invited individuals and agencies to issue a final report with  
17 various recommendations and accompanying proposed legislation.



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1           The legislature also finds that the strength and stability  
2 of our democratic government rely upon the public's trust in  
3 government institutions, including the expectation that officers  
4 act ethically with prudence, integrity, and sound judgement.  
5 Therefore, an essential goal of the commission was to provide  
6 recommendations that would help restore public trust in state  
7 government and increase the level of transparency in its  
8 operations and accountability of individuals.

9           The legislature additionally finds that under Hawaii's  
10 existing campaign finance law, only a state or county contractor  
11 is prohibited from making campaign contributions. However,  
12 owners, officers, employees, and family members of the  
13 contractor can still make contributions, including false name  
14 contributions, to election campaigns. Furthermore, state and  
15 county grantees are currently able to make campaign  
16 contributions, even though these entities receive funds that  
17 have been appropriated by a legislative body, similar to state  
18 or county contractors.

19           Accordingly, the purpose of this Act is to implement  
20 recommendations of the commission to improve standards of  
21 conduct by amending the prohibition against contributions to a



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1 candidate committee or noncandidate committee by state and  
2 county contractors to include state and county grantees and the  
3 owners, officers, employees, and immediate family members of a  
4 state or county contractor or state or county grantee.

5 SECTION 2. Section 11-355, Hawaii Revised Statutes, is  
6 amended to read as follows:

7 "[+]§11-355[+] **Contributions by state and county**

8 **contractors; contributions by state and county grantees;**

9 **prohibited.** (a) It shall be unlawful for any person who enters  
10 into any contract with the State, any of the counties, or any  
11 department or agency thereof either for the rendition of  
12 personal services, the buying of property, or furnishing of any  
13 material, supplies, or equipment to the State, any of the  
14 counties, any department or agency thereof, or for selling any  
15 land or building to the State, any of the counties, or any  
16 department or agency thereof, if payment for the performance of  
17 the contract or payment for material, supplies, equipment, land,  
18 property, or building is to be made in whole or in part from  
19 funds appropriated by the legislative body, at any time between  
20 the execution of the contract through the completion of the  
21 contract, to:



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1           (1) Directly or indirectly make any contribution, or  
2           promise expressly or impliedly to make any  
3           contribution to any candidate committee or  
4           noncandidate committee, or to any candidate or [~~to~~]  
5           any person for any political purpose or use; or

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

8           (b) It shall be unlawful for any person who receives a  
9           grant or subsidy from the State pursuant to chapter 42F, or from  
10           a county pursuant to county charter or code, at any time between  
11           the execution of the contract for the grant or subsidy through  
12           the completion of the contract, to:

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

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

20           (c) It shall be unlawful for the owners, officers, and  
21           employees, and any immediate family members, of any state or



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1 county contractor under subsection (a), at any time between the  
2 execution of a contract pursuant to subsection (a), to directly  
3 or indirectly make any contribution to any candidate committee  
4 or noncandidate committee.

5 (d) It shall be unlawful for the owners, officers, and  
6 employees, and any immediate family members, of any state or  
7 county grantee under subsection (b), at any time between the  
8 execution of a contract pursuant to subsection (b), to directly  
9 or indirectly make any contribution to any candidate committee  
10 or noncandidate committee.

11 ~~[(b)]~~ (e) Except as provided in [subsection] subsections  
12 (a), (b), (c), and (d), this section does not prohibit or make  
13 unlawful the establishment or administration of, or the  
14 solicitation of contributions to, any noncandidate committee by  
15 any person other than the state or county contractor, the state  
16 or county grantee, or the owners, officers, employees, and  
17 immediate family members of a state or county contractor or  
18 state or county grantee, for the purpose of influencing the  
19 nomination for election, or the election of any person to  
20 office.



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1            [~~e~~] (f) For purposes of this section, "completion of the  
2 contract" means that the parties to the government contract have  
3 either terminated the contract prior to completion of  
4 performance or fully performed the duties and obligations under  
5 the contract, no disputes relating to the performance and  
6 payment remain under the contract, and all disputed claims have  
7 been adjudicated and are final."

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

10           SECTION 4. This Act shall take effect upon its approval.

11

INTRODUCED BY: \_\_\_\_\_



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**Report Title:**

Commission to Improve Standards of Conduct; State and County Contractors; State and County Grantees; Campaign Contributions; Prohibitions

**Description:**

Amends the prohibition against contributions to a candidate committee or noncandidate committee by state and county contractors to include state and county grantees and the owners, officers, employees, and immediate family members of a state or county contractor or state or county grantee.

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