
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.



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



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



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 any
21 immediate family members of any state or county contractor under



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

5 (d) It shall be unlawful for the owners, officers, and any
6 immediate family members of any state or county grantee under
7 subsection (b), at any time between the execution of a contract
8 through completion of the contract pursuant to subsection (b),
9 to directly or indirectly make any contribution to any candidate
10 committee 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, and immediate family
17 members of a state or county contractor or state or county
18 grantee, for the purpose of influencing the nomination for
19 election, or the election of any person to office.

20 ~~[(e)]~~ (f) For purposes of this section, "completion of the
21 contract" means that the parties to the government contract have



1 either terminated the contract prior to completion of
2 performance or fully performed the duties and obligations under
3 the contract, no disputes relating to the performance and
4 payment remain under the contract, and all disputed claims have
5 been adjudicated and are final."

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 Statutory material to be repealed is bracketed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

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

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INTRODUCED BY: _____

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JAN 20 2023



H.B. NO. 724

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, and immediate family members of a state or county contractor or state or county grantee.

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