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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 Hawai'i's existing  
2 campaign finance law prohibits companies who receive state and  
3 county contracts from making campaign contributions. The  
4 prohibition against state and county contractors does not extend  
5 to any owners, officers, or family members of the contractor,  
6 meaning that those individuals can still make contributions to  
7 election campaigns.

8           The legislature also finds that there are no campaign  
9 contribution prohibitions on organizations that receive grants  
10 from the State or counties. These grantees receive public funds  
11 appropriated by a legislative body, similar to state or county  
12 contractors.

13           Accordingly, the purpose of this Act is to reduce the  
14 potential for donations to unduly influence policy-making and to  
15 improve actual and perceived standards of conduct by expanding  
16 the prohibition against contributions to candidate and  
17 noncandidate committees to include contributions from state and



1 county grantees and the officers and immediate family members of  
2 a state or county contractor or grantee.

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

5 "[+]§11-355[+] Contributions [~~by state and county~~  
6 ~~contractors~~]; state or county contractors; state or county  
7 grantees; officers and immediate family members of state or  
8 county contractors or grantees; prohibited. (a) It shall be  
9 unlawful for any person who enters into any contract with the  
10 State, any of the counties, or any department or agency thereof  
11 either for the rendition of personal services, the buying of  
12 property, or furnishing of any material, supplies, or equipment  
13 to the State, any of the counties, any department or agency  
14 thereof, or for selling any land or building to the State, any  
15 of the counties, or any department or agency thereof, if payment  
16 for the performance of the contract or payment for material,  
17 supplies, equipment, land, property, or building is to be made  
18 in whole or in part from funds appropriated by the legislative  
19 body, at any time between the execution of the contract through  
20 the completion of the 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 any  
5 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 the owners, officers, and any  
9 immediate family member of any state or county contractor under  
10 subsection (a), at any time between the execution of the  
11 contract through the completion of the contract pursuant to  
12 subsection (a), to directly or indirectly make any contribution  
13 to any candidate committee or noncandidate committee.

14 (c) It shall be unlawful for any person who receives a  
15 grant or subsidy from the State pursuant to chapter 42F, or from  
16 a county pursuant to a county charter or code, at any time  
17 between the execution of the contract through the completion of  
18 the contract for the grant or subsidy to:

19 (1) Directly or indirectly make any contribution, or  
20 promise expressly or impliedly to make any  
21 contribution to any candidate committee or



1           noncandidate committee, or to any candidate or to any  
2           person for any political purpose or use; or

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

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

12          (e) Any candidate, candidate committee, or noncandidate  
13          committee receiving a contribution made unlawful by this section  
14          shall return the unlawful contribution to the contributor within  
15          thirty calendar days of receipt. If any unlawful contribution  
16          is not returned to the contributor within thirty calendar days  
17          of receipt, the unlawful contribution shall escheat to the  
18          Hawaii election campaign fund.

19          (f) At the time of the execution of a contract subject to  
20          this section, the state or county contractor or grantee shall  
21          provide to the state or county office executing the contract a



1 list of the names of any owners, officers, and immediate family  
2 members of the state or county contractor or grantee. For the  
3 purposes of assessing compliance with this section, the state or  
4 county office shall make the reported information available  
5 electronically to the commission, which shall then make the  
6 information available to candidate and noncandidate committees  
7 on a password-protected section of the commission's website.

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

17       ~~[(e)]~~ (h) For purposes of this section, "completion of the  
18 contract" means that the parties to the government contract have  
19 either terminated the contract prior to completion of  
20 performance or fully performed the duties and obligations under  
21 the contract, no disputes relating to the performance and



1 payment remain under the contract, and all disputed claims have  
2 been adjudicated and are final."

3 SECTION 3. Section 11-364, Hawaii Revised Statutes, is  
4 amended by amending subsection (a) to read as follows:

5 "(a) Any candidate, candidate committee, or noncandidate  
6 committee that receives in the aggregate more than the  
7 applicable contribution limit in section 11-357, 11-358, 11-359,  
8 or 11-360 shall return any excess contribution to the  
9 contributor within thirty calendar days of receipt of the excess  
10 contribution. Any candidate, candidate committee, or  
11 noncandidate committee that receives in the aggregate more than  
12 the applicable contribution limit in section 11-362 shall return  
13 any excess contribution to the contributor within thirty  
14 calendar days of the end of the election period; provided that  
15 the candidate, candidate committee, or noncandidate committee  
16 may choose which contributions to return. Any excess  
17 contribution not returned to the contributor within thirty  
18 calendar days shall escheat to the Hawaii election campaign  
19 fund."



1 SECTION 4. This Act does not affect rights and duties that  
2 matured, penalties that were incurred, and proceedings that were  
3 begun before its effective date.

4 SECTION 5. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6 SECTION 6. This Act shall take effect upon its approval.

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INTRODUCED BY:

*Karl Rhoad*



# S.B. NO. 809

**Report Title:**

Campaign Spending Commission Package; State or County Contractors; State or County Grantees; Officers; Immediate Family Members; Prohibited Contributions; Disclosures

**Description:**

Prohibits state or county grantees, officers and immediate family members of state or county contractors, and officers and immediate family members of state or county grantees, from contributing to candidate committees and noncandidate committees for the duration of the contract. Prohibits state or county grantees from knowingly soliciting any contributions. Requires candidates, candidate committees, and noncandidate committees to return any unlawful contribution to the contributor within 30 calendar days of receipt. Provides that an unlawful contribution shall escheat to the Hawaii Election Campaign Fund if it is not returned to the contributor within 30 calendar days. Requires disclosures of the names of any owners, officers and immediate family members of a state or county contractor or grantee.

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

