
A BILL FOR AN ACT

RELATING TO CAMPAIGN CONTRIBUTIONS.

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

1 PART I

2 SECTION 1. The legislature finds that the State's existing
3 campaign finance law prohibiting organizations that receive
4 state contracts from making campaign contributions does not
5 extend to the compensated officers of the organizations.

6 The legislature also finds that campaign contribution
7 prohibitions do not currently apply to organizations that
8 receive grants from the State or counties. These grantees
9 receive public funds appropriated by a legislative body, similar
10 to state and county contractors.

11 Accordingly, the purpose of this part is to reduce the
12 potential for campaign contributions to unduly influence
13 policymaking, maintain public trust in government decision-
14 making, and improve actual and perceived standards of conduct
15 by:



1 (1) Prohibiting compensated officers of state and county
2 contractors, for the duration of their contracts,
3 from:

4 (A) Making, or promising to make, contributions to a
5 candidate, candidate committee, or noncandidate
6 committee; or

7 (B) Soliciting any contribution from any person for
8 any purpose; and

9 (2) Expanding the prohibition on campaign contributions by
10 state and county contractors to include contributions
11 from state and county grantees that receive grants
12 under chapter 42F, Hawaii Revised Statutes, or county
13 charters or codes.

14 SECTION 2. Chapter 27, Hawaii Revised Statutes, is amended
15 by adding a new section to part I to be appropriately designated
16 and to read as follows:

17 "§27- Disclosure of compensated officers for state and
18 county contracts. (a) Within thirty calendar days of fully
19 executing a state or county contract for goods, services, or
20 construction, the contracting agency shall, pursuant to section
21 11-355, require the contractor to provide a list of the names of



1 all compensated officers of the contractor. The campaign
2 spending commission shall prescribe a standard form and require
3 the contractor to certify the accuracy of the form. Contractors
4 shall update disclosures within thirty calendar days of any
5 change in the officers.

6 (b) The contracting agency shall make the reported
7 information available electronically to the campaign spending
8 commission within thirty calendar days of fully executing the
9 contract, without obligation to verify accuracy or completeness
10 for purposes of section 11-355.

11 (c) The contracting agency's responsibility under this
12 section shall be limited to receiving and transmitting the
13 information submitted by the contractor. The contracting agency
14 shall not be responsible for verifying the accuracy,
15 completeness, or correctness of the information submitted.

16 (d) Failure of a contractor to submit the information
17 required under this section shall constitute a material
18 noncompliance. A contracting agency may withhold execution,
19 suspend performance, or pursue remedies available under the
20 contract or applicable law until the required information is
21 submitted.



1 (e) For the purposes of this section, "officer" has the
2 same meaning as defined in section 11-355."

3 SECTION 3. Chapter 42F, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 "§42F- Disclosure of compensated officers for state and
7 county grants. (a) Within thirty calendar days of fully
8 executing a contract for a grant under this chapter, or for a
9 county under a county charter or code, the expending agency
10 executing the contract shall require the recipient to provide a
11 list of the names of all compensated officers of the recipient.
12 The campaign spending commission shall prescribe a standard form
13 and require the recipient to certify the accuracy of the form.
14 Recipients shall update disclosures within thirty calendar days
15 of any change in the officers.

16 (b) The expending agency shall make the reported
17 information available electronically to the campaign spending
18 commission within thirty calendar days of fully executing the
19 contract, without obligation to verify accuracy or completeness
20 for purposes of section 11-355.



1 (c) The expending agency's responsibility under this
2 section shall be limited to receiving and transmitting the
3 information submitted by the recipient. The expending agency
4 shall not be responsible for verifying the accuracy,
5 completeness, or correctness of the information submitted.

6 (d) Failure of a recipient to submit the information
7 required under this section shall constitute a material failure
8 to comply with the terms and conditions of the grant. An
9 expending agency may withhold grant funds until the required
10 information is submitted.

11 (e) For the purposes of this section, "officer" has the
12 same meaning as defined in section 11-355."

13 SECTION 4. Chapter 103D, Hawaii Revised Statutes, is
14 amended by adding a new section to be appropriately designated
15 and to read as follows:

16 **"§103D- Disclosure of compensated officers for state**
17 **and county contracts.** (a) Within thirty calendar days of fully
18 executing a state or county contract for goods, services, or
19 construction, the purchasing agency shall, pursuant to section
20 11-355, require the contractor to provide a list of the names of
21 all compensated officers of the contractor. The campaign



1 spending commission shall prescribe a standard form and require
2 the contractor to certify the accuracy of the form. Contractors
3 shall update disclosures within thirty calendar days of any
4 change in the officers.

5 (b) The purchasing agency shall make the reported
6 information available electronically to the campaign spending
7 commission within thirty calendar days of fully executing the
8 contract, without obligation to verify accuracy or completeness
9 for purposes of section 11-355.

10 (c) The purchasing agency's responsibility under this
11 section shall be limited to receiving and transmitting the
12 information submitted by the contractor. The purchasing agency
13 shall not be responsible for verifying the accuracy,
14 completeness, or correctness of the information submitted.

15 (d) Failure of a contractor to submit the information
16 required under this section shall be subject to sections
17 103D-702 and 103D-707.

18 (e) For the purposes of this section, "officer" has the
19 same meaning as defined in section 11-355."



1 SECTION 5. Chapter 103F, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§103F- Disclosure of compensated officers for state
5 and county contracts. (a) Within thirty calendar days of fully
6 executing a state or county contract, the purchasing agency
7 shall, pursuant to section 11-355, require the contractor or
8 provider to provide a list of the names of all compensated
9 officers of the contractor or provider. The campaign spending
10 commission shall prescribe a standard form and require the
11 contractor or provider to certify the accuracy of the form.
12 Contractors or providers shall update disclosures within thirty
13 calendar days of any change in the officers.

14 (b) The purchasing agency shall make the reported
15 information available electronically to the campaign spending
16 commission within thirty calendar days of fully executing the
17 contract, without obligation to verify accuracy or completeness
18 for purposes of section 11-355.

19 (c) The purchasing agency's responsibility under this
20 section shall be limited to receiving and transmitting the
21 information submitted by the contractor or provider. The



1 purchasing agency shall not be responsible for verifying the
2 accuracy, completeness, or correctness of the information
3 submitted.

4 (d) Failure of a contractor or provider to submit the
5 information required under this section shall constitute a
6 material noncompliance. A purchasing agency may withhold
7 execution, suspend performance, or pursue remedies available
8 under the contract or applicable procurement law until the
9 required information is submitted.

10 (e) For the purposes of this section, "officer" has the
11 same meaning as defined in section 11-355."

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

14 **"[+]§11-355[+] Contributions by state [and] or county**
15 **contractors, grantees, and compensated officers of state or**
16 **county contractors or grantees; prohibited. (a) It shall be**
17 **unlawful for any person who enters into any contract with the**
18 **State, any of the counties, or any department or agency thereof**
19 **either for the rendition of personal services, the buying of**
20 **property, or furnishing of any material, supplies, or equipment**
21 **to the State, any of the counties, or any department or agency**



1 thereof, or for selling any land or building to the State, any
2 of the counties, or any department or agency thereof, if payment
3 for the performance of the contract or payment for material,
4 supplies, equipment, land, property, or building is to be made
5 in whole or in part from funds appropriated by the legislative
6 body, at any time [~~between~~] from the execution of the contract
7 through the completion of the contract, to:

- 8 (1) Directly or indirectly make any contribution, or
9 promise expressly or impliedly to make any
10 contribution, to any candidate committee or
11 noncandidate committee, or to any candidate or to any
12 person for any political purpose or use; or
13 (2) Knowingly solicit any contribution from any person for
14 any purpose during any period.

15 [~~(b) Except as provided in subsection (a), this section~~
16 ~~does not prohibit or make unlawful the establishment or~~
17 ~~administration of, or the solicitation of contributions to, any~~
18 ~~noncandidate committee by any person other than the state or~~
19 ~~county contractor for the purpose of influencing the nomination~~
20 ~~for election, or the election of any person to office.]~~



1 (b) It shall be unlawful for any compensated officer of a
2 contractor under subsection (a), that is awarded a contract for
3 goods, services, or construction at any time from the execution
4 of the contract through the completion of the contract, to:

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

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

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

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



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

3 (d) It shall be unlawful for any compensated officer of a
4 state or county grantee under subsection (c), at any time
5 between the execution of the contract through the completion of
6 the contract for the grant or subsidy pursuant to subsection
7 (g), to:

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

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

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



1 (f) After receipt of the information submitted by a state
2 agency pursuant to sections 27- , 42F- , 103D- , and
3 103F- , the commission shall make the information available to
4 candidate committees and noncandidate committees on a password-
5 protected section of the commission's website.

6 [~~e~~] (g) For the purposes of this section[~~,"completion"]:~~
7 "Completion of the contract" means that the parties to the
8 government contract have [~~either~~] terminated the contract [~~prior~~
9 ~~to~~] before completion of performance or fully performed the
10 duties and obligations under the contract, no disputes relating
11 to the performance and payment remain under the contract, and
12 all disputed claims have been adjudicated and are final.

13 "Officer" means an individual who is:

- 14 (1) The owner of a sole proprietorship;
- 15 (2) A general partner of a general partnership, limited or
16 limited liability partnership;
- 17 (3) A manager or co-manager of a limited liability
18 company; or
- 19 (4) An officer of a corporation or any of the entities
20 described in this section."



1 SECTION 7. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so
3 much thereof as may be necessary for fiscal year 2026-2027 for
4 system updates, training, and administrative support for the
5 state procurement office to implement this part.

6 The sum appropriated shall be expended by the state
7 procurement office for the purposes of this Act.

8 SECTION 8. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$ or so
10 much thereof as may be necessary for fiscal year 2026-2027 for
11 the campaign spending commission to establish a password
12 protected filing system, and to provide updates, training, and
13 administrative support.

14 The sum appropriated shall be expended by the campaign
15 spending commission for the purposes of this Act.

16 PART II

17 SECTION 9. Section 11-364, Hawaii Revised Statutes, is
18 amended by amending subsection (a) to read as follows:

19 "(a) Any candidate, candidate committee, or noncandidate
20 committee that receives in the aggregate more than the
21 applicable contribution limit in section 11-357, 11-358, 11-359,



1 or 11-360 shall return any excess contribution to the
2 contributor within thirty calendar days of receipt of the excess
3 contribution. Any candidate, candidate committee, or
4 noncandidate committee that receives in the aggregate more than
5 the applicable contribution limit in section 11-362 shall return
6 any excess contribution to the contributor within thirty
7 calendar days of the end of the election period; provided that
8 the candidate, candidate committee, or noncandidate committee
9 may choose which contributions to return. Any excess
10 contribution not returned to the contributor within thirty
11 calendar days shall escheat to the Hawaii election campaign
12 fund."

13 PART III

14 SECTION 10. This Act does not affect rights and duties
15 that matured, penalties that were incurred, and proceedings that
16 were begun before its effective date.

17 SECTION 11. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 12. This Act shall take effect on March 22, 2075;
20 provided that sections 7 and 8 shall take effect on July 1,
21 2026.



Report Title:

CSC; State Procurement Office; State and County Contractors;
State and County Grantees; Officers of Contractors and Grantees;
Prohibited Contributions; Appropriations

Description:

Requires disclosure of the names of compensated officers of state and county contractors and grantees. Prohibits the compensated officers of state and county contractors and grantees from making, promising, or soliciting certain campaign contributions for the duration of the contract or grant from making, promising, or soliciting certain contributions for the duration of the contract or grant. Requires unlawful contributions to be returned to the contributor or escheat to the Hawaii Election Campaign Fund. Appropriates funds. Effective 3/22/2075. (SD1)

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

