

JAN 23 2026

A BILL FOR AN ACT

RELATING TO CAMPAIGN CONTRIBUTIONS.

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

1 SECTION 1. The integrity of Hawaii's government and its
2 contracting and grant-making processes is fundamental to
3 maintaining public trust and preventing corruption or the
4 appearance of corruption. This bill represents a crucial step
5 towards transparency and accountability in government spending
6 and the electoral process.

7 Existing campaign finance law prohibits organizations with
8 state and county contracts from making political contributions,
9 but this prohibition has proven insufficient to prevent undue
10 influence. A significant loophole permits officers and family
11 members of government contractors to make substantial campaign
12 contributions, creating an appearance of pay-to-play politics
13 and raising concerns of quid pro quo corruption. Similar to
14 contractors, grantees receive state and county funds and thus
15 should be treated similarly in the context of political
16 contributions. Whether as contractors or grantees, the flow of
17 money from individuals with a direct financial interest in



1 government decisions undermines the public's confidence that
2 state and county contracts and grants are awarded based on merit
3 rather than political favor. To combat any undue influence that
4 arises from such contributions, it is necessary to close this
5 loophole and strengthen prohibitions on political contributions
6 from those who financially benefit from government contracts and
7 grants.

8 Accordingly, this Act addresses this defect and expands the
9 ban on contributions from state and county contractors to state
10 and county grantees as well as to the contractors' and grantees'
11 officers and the contractors' and grantees' officers' immediate
12 family to ensure a more comprehensive and effective ban to
13 enhance and restore public trust in the electoral process.

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

16 " [+] §11-355 [+] Contributions by state [and] or county
17 contractors, state or county grantees, officers of state or
18 county contractors or the officer's immediate family, officers
19 of state or county grantees or the officer's immediate family;
20 prohibited. (a) It shall be unlawful for any person who enters
21 into any contract with the State, any of the counties, or any



1 department or agency thereof either for the rendition of
2 personal services, the buying of property, or furnishing of any
3 material, supplies, or equipment to the State, any of the
4 counties, any department or agency thereof, or for selling any
5 land or building to the State, any of the counties, or any
6 department or agency thereof, if payment for the performance of
7 the contract or payment for material, supplies, equipment, land,
8 property, or building is to be made in whole or in part from
9 funds appropriated by the legislative body, at any time between
10 the execution of the contract through the completion of the
11 contract, to:

12 (1) Directly or indirectly make any contribution, or
13 promise expressly or impliedly to make any
14 contribution to any candidate committee or
15 noncandidate committee, or to any candidate or to any
16 person for any political purpose or use; or
17 (2) Knowingly solicit any contribution from any person for
18 any purpose during any period.

19 (b) It shall be unlawful for any officer, or the officer's
20 immediate family, of any state or county contractor under
21 subsection (a) that is awarded a state or county contract of



1 \$100,000 or more for goods or services, or \$250,000 or more for
2 construction, at any time between the execution of the contract
3 through the completion of the contract pursuant to
4 subsection (g), 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 who receives a
13 grant or subsidy of more than \$100,000 from the State pursuant
14 to chapter 42F, or from a county pursuant to a county charter or
15 code, at any time between the execution of the contract through
16 the completion of the 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 officer, or the officer's
4 immediate family, of a state or county grantee under
5 subsection (c), at any time between the execution of the
6 contract through the completion of the contract for the grant or
7 subsidy pursuant to subsection (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 [+b+] (f) Except as provided in [subsection] subsections
2 (a), (b), (c), and (d), this section [does] shall not prohibit
3 or make unlawful the establishment or administration of, or the
4 solicitation of contributions to, any noncandidate committee by
5 any person other than the state or county contractor the state
6 or county grantee, the officers of the state or county grantee,
7 or the officer's immediate family of a state or county
8 contractor or grantee, for the purpose of influencing the
9 nomination for election, or the election of any person to
10 office.

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

18 "Officer" means an individual who is:

- 19 (1) The owner of a sole proprietorship;
- 20 (2) A general partner of a general partnership, limited or
21 limited liability partnership;



1 (3) A manager or co-manager of a limited liability
2 company; or
3 (4) An officer of a corporation or any of the entities
4 described in this section.

5 "Officer's immediate family" means a spouse or reciprocal
6 beneficiary, as defined in section 572C-3, and any child, any
7 dependent, and the spouse or reciprocal beneficiary of the
8 dependent."

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

11 "(a) Any candidate, candidate committee, or noncandidate
12 committee that receives in the aggregate more than the
13 applicable contribution limit in section 11-357, 11-358, 11-359,
14 or 11-360 shall return any excess contribution to the
15 contributor within thirty calendar days of receipt of the excess
16 contribution. Any candidate, candidate committee, or
17 noncandidate committee that receives in the aggregate more than
18 the applicable contribution limit in section 11-362 shall return
19 any excess contribution to the contributor within thirty
20 calendar days of the end of the election period; provided that
21 the candidate, candidate committee, or noncandidate committee



1 may choose which contributions to return. Any excess
2 contribution not returned to the contributor within thirty
3 calendar days shall escheat to the Hawaii election campaign
4 fund."

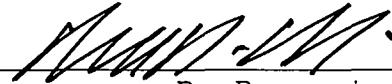
5 SECTION 4. This Act does not affect rights and duties that
6 matured, penalties that were incurred, and proceedings that were
7 begun before its effective date.

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

10 SECTION 6. This Act shall take effect on November 4, 2026.

11

INTRODUCED BY:


By Request

Report Title:

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

Description:

Prohibits state or county contractor's officers and any officer's immediate family, with contracts of \$100,000 or more for goods or services or \$250,000 or more for construction, from contributing to candidate or noncandidate committees, candidates, or any person for any political purpose for the duration of the contract. Prohibits grantees, grantees' officers and grantees' officer's immediate family, with grants of more than \$100,000, from contributing to candidate or noncandidate committees, candidates, or any person for any political purpose for the duration of the grant. Requires any unlawful contribution to be returned to the contributor or it will escheat to the Hawaii election campaign fund.

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