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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 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 or their  
6 immediate family members.

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

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



1 (1) Prohibiting compensated officers of state contractors,  
2 and their immediate family members, for the duration  
3 of their contracts exceeding the small purchase  
4 threshold established under the Hawaii public  
5 procurement code, from:

6 (A) Making, or promising to make, contributions to  
7 the candidate committee of a candidate who is a  
8 member of, or seeking election to, the same  
9 branch of the state government that exercises  
10 authority over the awarding or administration of  
11 the contract; or

12 (B) Soliciting any contribution from any person for  
13 any purpose; and

14 (2) Expanding the prohibition on campaign contributions by  
15 state contractors to include contributions from state  
16 grantees that receive grants exceeding \$250,000, as  
17 well as from the compensated officers of those  
18 grantees and the compensated officers' immediate  
19 family members.

20 PART II



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

4 "§27- Disclosure of compensated officers and immediate  
5 family members for state contracts. (a) Within thirty calendar  
6 days of fully executing a state contract exceeding the small  
7 purchase threshold described in section 103D-305(a), the  
8 contracting state agency shall, pursuant to section 11-355,  
9 require the contractor to provide a list of the names of all  
10 compensated officers of the contractor and the immediate family  
11 members of each officer. The campaign spending commission shall  
12 prescribe a standard form and require the contractor to certify  
13 the accuracy of the form. Contractors shall update disclosures  
14 within thirty calendar days of any change in the officers or  
15 immediate family members.

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

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

12        (e) For purposes of this section, "immediate family  
13 member" and "officer" have the same meanings as those terms are  
14 defined in section 11-355."

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

18        **"§42F-        Disclosure of compensated officers and immediate**  
19 **family members for state grants.** (a) Within thirty calendar  
20 days of fully executing a contract for a state grant exceeding  
21 \$250,000, the expending agency executing the contract shall



1 require the recipient to provide a list of the names of all  
2 compensated officers of the recipient and the immediate family  
3 members of each officer. The campaign spending commission shall  
4 prescribe a standard form and require the recipient to certify  
5 the accuracy of the form. Recipients shall update disclosures  
6 within thirty calendar days of any change in the officers or  
7 immediate family members.

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

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

18 (d) Failure of a recipient to submit the information  
19 required under this section shall constitute a material failure  
20 to comply with the terms and conditions of the grant. An



1 expending agency may withhold grant funds until the required  
2 information is submitted.

3 (e) For purposes of this section, "immediate family  
4 member" and "officer" have the same meanings as those terms are  
5 defined in section 11-355."

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

9 "§103D- Disclosure of compensated officers and  
10 immediate family members for state contracts. (a) Within  
11 thirty calendar days of fully executing a state contract  
12 exceeding the small purchase threshold described in section  
13 103D-305(a), the purchasing agency shall, pursuant to section  
14 11-355, require the contractor to provide a list of the names of  
15 all compensated officers of the contractor and the immediate  
16 family members of each officer. The campaign spending  
17 commission shall prescribe a standard form and require the  
18 contractor to certify the accuracy of the form. Contractors  
19 shall update disclosures within thirty calendar days of any  
20 change in the officers or immediate family members.



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

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

11        (d) Failure of a contractor to submit the information  
12 required under this section shall be subject to sections 103D-  
13 702 and 103D-707.

14        (e) For purposes of this section, "immediate family  
15 member" and "officer" have the same meanings as those terms are  
16 defined in section 11-355."

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

20        "§103F-        Disclosure of compensated officers and  
21 immediate family members for state contracts. (a) Within



1 thirty calendar days of fully executing a state contract  
2 exceeding the small purchase threshold described in section  
3 103D-305(a), the purchasing agency shall, pursuant to section  
4 11-355, require the contractor or provider to provide a list of  
5 the names of all compensated officers of the contractor or  
6 provider and the immediate family members of each officer. The  
7 campaign spending commission shall prescribe a standard form and  
8 require the contractor or provider to certify the accuracy of  
9 the form. Contractors or providers shall update disclosures  
10 within thirty calendar days of any change in the officers or  
11 immediate family members.

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

17 (c) The purchasing agency's responsibility under this  
18 section shall be limited to receiving and transmitting the  
19 information submitted by the contractor or provider. The  
20 purchasing agency shall not be responsible for verifying the



1 accuracy, completeness, or correctness of the information  
2 submitted.

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

9 (e) For purposes of this section, "immediate family  
10 member" and "officer" have the same meanings as those terms are  
11 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, state grantees, and the compensated officers and**  
16 **immediate family members of state contractors or grantees;**

17 **prohibited.** (a) It shall be unlawful for any person who enters  
18 into any contract with the State, any of the counties, or any  
19 department or agency thereof either for the rendition of  
20 personal services, the buying of property, or furnishing of any  
21 material, supplies, or equipment to the State, any of the



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

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

16 (b) It shall be unlawful for any compensated officer of a  
 17 state contractor under subsection (a), or the immediate family  
 18 members of the compensated officer, that is awarded a state  
 19 contract exceeding the small purchase threshold described in  
 20 section 103D-305(a), at any time from the execution of the  
 21 contract through 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 the candidate committee of a  
 4       candidate who is a member of, or seeking election to,  
 5       the same branch of the state government that exercises  
 6       authority over the awarding or administration of that  
 7       specific contract; or

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

10       (c) It shall be unlawful for any person that receives a  
 11 grant exceeding \$250,000, or any compensated officer of a state  
 12 grantee that receives a grant exceeding \$250,000, or the  
 13 immediate family members of the compensated officer of a state  
 14 grantee that receives a grant exceeding \$250,000, from the State  
 15 pursuant to chapter 42F, at any time from the execution of the  
 16 contract through the completion of the contract for the grant,  
 17 to:

18       (1) Directly or indirectly make any contribution, or  
 19       promise expressly or impliedly to make any  
 20       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) Any candidate, candidate committee, or noncandidate  
6 committee that receives a contribution made unlawful by this  
7 section shall return the unlawful contribution to the  
8 contributor within thirty calendar days of receipt. If any  
9 unlawful contribution is not returned to the contributor within  
10 thirty calendar days of receipt, the unlawful contribution shall  
11 escheat to the Hawaii election campaign fund.

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

18 (e) After receipt of the information submitted by a state  
19 agency pursuant to sections 27- , 42F- , 103D- , and  
20 103F- , the commission shall make the information available to



1 candidate committees and noncandidate committees on a password-  
2 protected section of the commission's website.

3 ~~[(e)]~~ (f) For purposes of this section~~["completion"]~~:

4 "Completion of the contract" means that the parties to the  
5 government contract have either terminated the contract [~~prior~~  
6 ~~to~~] before completion of performance or fully performed the  
7 duties and obligations under the contract, no disputes relating  
8 to the performance and payment remain under the contract, and  
9 all disputed claims have been adjudicated and are final.

10 "Immediate family member" means, notwithstanding section  
11 11-302, the person's spouse or reciprocal beneficiary, as  
12 defined in section 572C-3, and any dependent of the person or  
13 spouse or reciprocal beneficiary of the dependent.

14 "Officer" means an individual who is listed as an officer  
15 on the department of commerce and consumer affairs business  
16 registration database."

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



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

3 PART III

4 SECTION 8. Section 11-364, Hawaii Revised Statutes, is  
5 amended by amending subsection (a) to read as follows:

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

21 PART IV



1 SECTION 9. 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 10. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6 SECTION 11. This Act shall take effect on July 1, 3000;  
7 provided that section 7 shall take effect on July 1, 2026.



**Report Title:**

CSC; State Contractors; State Grantees; Officers; Immediate Family Members; Prohibited Contributions; Appropriation

**Description:**

Requires disclosure of the names of compensated officers, and their immediate family members, of state contractors with contracts exceeding the small purchase threshold established under the Hawaii Public Procurement Code and grantees with grants exceeding \$250,000. Prohibits the compensated officers of state contractors, and their immediate family members, from making, promising, or soliciting certain campaign contributions for the duration of the contract exceeding the small purchase threshold. Prohibits state grantees, including compensated officers and their immediate family members, from making, promising, or soliciting certain contributions for the duration of the grant exceeding \$250,000. Requires unlawful contributions to be returned to the contributor or escheat to the Hawaii Election Campaign Fund. Appropriates funds. Effective 7/1/3000. (HD1)

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

