
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
14 decision-making, and improve actual and perceived standards of
15 conduct by:

16 (1) Prohibiting compensated officers of state and county
17 contractors, for the duration of contracts under their



1 control that exceed the small purchase threshold
2 established under the Hawaii public procurement code,
3 from:

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

10 (B) Soliciting any contribution from any person for
11 any purpose; and

12 (2) Expanding the prohibition on campaign contributions by
13 state and county contractors to include contributions
14 from state and county grantees that receive grants
15 under chapter 42F, Hawaii Revised Statutes, or county
16 charters or codes, that exceed \$250,000.

17 SECTION 2. Chapter 11, Hawaii Revised Statutes, is amended
18 by adding a new section to part XIII, subpart E to be
19 appropriately designated and to read as follows:

20 "§11- Disclosure of compensated officers for state and
21 county grants. (a) Within thirty calendar days of fully



1 executing a contract for a grant under chapter 42F, or for a
2 county under a county charter or code, the expending agency
3 executing the contract shall require the recipient to provide a
4 list of the names of all compensated officers of the recipient.
5 The campaign spending commission shall prescribe a standard form
6 and require the recipient to certify the accuracy of the form.
7 Recipients shall update disclosures within thirty calendar days
8 of any change in the officers.

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

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

19 (d) Failure of a recipient to submit the information
20 required under this section shall constitute a material failure
21 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 the purposes of this section, "officer" has the
4 same meaning as defined in section 11-355."

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

8 **"§27- Disclosure of compensated officers for state and**

9 **county contracts.** (a) Within thirty calendar days of fully

10 executing a state or county contract for goods, services, or

11 construction, the contracting agency shall, pursuant to section

12 11-355, require the contractor to provide a list of the names of

13 all compensated officers of the contractor. The campaign

14 spending commission shall prescribe a standard form and require

15 the contractor to certify the accuracy of the form. Contractors

16 shall update disclosures within thirty calendar days of any

17 change in the officers.

18 (b) The contracting agency shall make the reported

19 information available electronically to the campaign spending

20 commission within thirty calendar days of fully executing the



1 contract, without obligation to verify accuracy or completeness
2 for purposes of section 11-355.

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

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

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

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

19 **"§103D- Disclosure of compensated officers for state**
20 **and county contracts.** (a) Within thirty calendar days of fully
21 executing a state or county contract for goods, services, or



1 construction, the purchasing agency shall, pursuant to section
2 11-355, require the contractor to provide a list of the names of
3 all compensated officers of the contractor. The campaign
4 spending commission shall prescribe a standard form and require
5 the contractor to certify the accuracy of the form. Contractors
6 shall update disclosures within thirty calendar days of any
7 change in the officers.

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

18 (d) Failure of a contractor to submit the information
19 required under this section shall be subject to sections
20 103D-702 and 103D-707.



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

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

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

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

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

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

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

17 "~~§11-355~~ **Contributions by state and or county**
18 **contractors, grantees, and compensated officers of state or**
19 **county contractors or grantees; prohibited.** (a) It shall be
20 unlawful for any person who enters into any contract with the
21 State, any of the counties, or any department or agency thereof



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

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

18 [~~(b) Except as provided in subsection (a), this section~~
19 ~~does not prohibit or make unlawful the establishment or~~
20 ~~administration of, or the solicitation of contributions to, any~~
21 ~~noncandidate committee by any person other than the state or~~



1 ~~county contractor for the purpose of influencing the nomination~~
2 ~~for election, or the election of any person to office.]~~

3 (b) It shall be unlawful for any compensated officer of a
4 contractor under subsection (a), that is awarded a contract
5 exceeding the small purchase threshold described in section
6 103D-305(a), at any time 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 the candidate committee of a
11 candidate who is a member of, or seeking election to,
12 the same branch of government that exercises authority
13 over the awarding or administration of that specific
14 contract; or

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

17 (c) It shall be unlawful for any person that receives a
18 grant exceeding \$250,000, or any compensated officer of a state
19 or county grantee that receives a grant exceeding \$250,000 from
20 the State pursuant to chapter 42F, or from a county pursuant to
21 a county charter or code, at any time from the execution of the



1 contract through the completion of the contract for the grant,
2 to:

3 (1) Directly or indirectly make any contribution, or
4 promise expressly or impliedly to make any
5 contribution, to any candidate committee or
6 noncandidate committee, or to any candidate or to any
7 person for any political purpose or use; or
8 (2) Knowingly solicit any contribution from any person for
9 any purpose during any period.

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

17 (e) After receipt of the information submitted by a state
18 agency pursuant to sections 11- , 27- , 103D- , and
19 103F- , the commission shall make the information available to
20 candidate committees and noncandidate committees on a
21 password-protected section of the commission's website.



1 (f) Except as provided in subsections (a), (b), (c), and
2 (d), this section shall not prohibit or make it unlawful for any
3 person other than a state or county contractor, a state or
4 county grantee, or any officer of a state or county contractor
5 or grantee to establish or administer any noncandidate
6 committee, or solicit contributions to any noncandidate
7 committee, for the purpose of influencing the nomination for
8 election, or the election, of any person to office.

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

16 "Officer" means an individual who is listed as an officer
17 of a contractor or grantee on the department of commerce and
18 consumer affairs business registration database."

19 SECTION 7. There is appropriated out of the Hawaii
20 election campaign fund of the State of Hawaii the sum of
21 \$420,000 or so much thereof as may be necessary for fiscal year



1 2026-2027 for the campaign spending commission; provided that
2 the moneys shall be allocated as follows:

3 (1) \$250,000 to build a password-protected section in its
4 electronic filing system and to provide training, and
5 administrative support;

6 (2) \$150,000 for one full-time equivalent (1.0 FTE)
7 information technology specialist; and

8 (3) \$20,000 for equipment, supplies, software, and
9 licenses to implement this part.

10 The sum appropriated shall be expended by the campaign
11 spending commission for the purposes of this part.

12 PART II

13 SECTION 8. Section 11-333, Hawaii Revised Statutes, is
14 amended by amending subsection (b) to read as follows:

15 "(b) Schedules filed with the reports shall include the
16 following additional information:

17 (1) The amount and date of deposit of each contribution
18 and the name and address of each contributor who makes
19 contributions aggregating more than \$100 in an
20 election period; provided that for contributions
21 received through a third-party payment processor



1 website, whether received by check or directly
2 deposited to the candidate or noncandidate committee,
3 the date the contributor executes the transaction on
4 the third-party payment processor website shall be
5 deemed the date of receipt and the date of acceptance
6 for all reporting and compliance purposes under this
7 chapter; provided further that if all the information
8 is not on file, the contribution shall be returned to
9 the contributor within thirty days of deposit;

10 (2) The amount and date of deposit of each contribution
11 and the name, address, occupation, and employer of
12 each contributor who makes contributions aggregating
13 \$1,000 or more during an election period; provided
14 that if all the information is not on file, the
15 contribution shall be returned to the contributor
16 within thirty days of deposit;

17 (3) All expenditures, including the name and address of
18 each payee and the amount, date, and purpose of each
19 expenditure. Expenditures for consultants,
20 advertising agencies and similar firms, credit card
21 payments, salaries, and committee reimbursements to



1 the candidate or other individuals shall be itemized
2 to permit a reasonable person to determine the
3 ultimate intended recipient of the expenditure and its
4 purpose;

5 (4) The amount, date of deposit, and description of other
6 receipts and the name and address of the source of
7 each of the other receipts;

8 (5) Information about each loan received by the committee,
9 together with the names and addresses of the lender
10 and each person liable directly, and the amount of
11 each loan. A copy of the executed loan document shall
12 be received by the commission by mail or delivery on
13 or before the filing date for the report covering the
14 reporting period when the loan was received. The
15 document shall contain the terms of the loan,
16 including the interest and repayment schedule.
17 Failure to disclose the loan or to provide
18 documentation of the loan to the commission shall
19 cause the loan to be treated as a contribution,
20 subject to all relevant provisions of this part;



1 (6) A description of each durable asset, the date of
2 acquisition, value at the time of acquisition, and the
3 name and address of the vendor or contributor of the
4 asset; and

5 (7) The date of disposition of each durable asset, value
6 at the time of disposition, the method of disposition,
7 and the name and address of the person receiving the
8 asset."

9 SECTION 9. Section 11-351, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) Monetary contributions and other campaign funds shall
12 be [~~promptly~~] deposited within fourteen days of the physical
13 receipt of the monetary contributions and other campaign funds
14 in a depository institution, as defined by section 412:1-109,
15 duly authorized to do business in the State, including a bank,
16 savings bank, savings and loan association, depository financial
17 services loan company, credit union, intra-Pacific bank, or
18 similar financial institution, the deposits or accounts of which
19 are insured by the Federal Deposit Insurance Corporation or the
20 National Credit Union Administration in the name of the



1 candidate, candidate committee, or noncandidate committee,
2 whichever is applicable."

3 SECTION 10. 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."

20 SECTION 11. Section 11-365, Hawaii Revised Statutes, is
21 amended to read as follows:



1 **"§11-365 Contributions and expenditures by lobbyists**
2 **prohibited during legislative session.** (a) During any regular
3 session or special session of the legislature, including any
4 extension of any regular session or special session and any
5 legislative recess days, holidays, and weekends, and for five
6 calendar days before and after a session, no lobbyist shall
7 make, or promise to make at a later time, any contributions or
8 expenditures to or on behalf of an elected official, candidate,
9 candidate committee, or any other individual required to file an
10 organizational report pursuant to section 11-321. No elected
11 official, candidate, candidate committee, or other individual
12 required to file an organizational report pursuant to section
13 11-321 shall accept, or agree to accept at a later time, any
14 contribution from a lobbyist during the specified period under
15 this subsection. Any contribution prohibited by this subsection
16 shall escheat to the Hawaii election campaign fund. An elected
17 official, candidate, candidate committee, or any other
18 individual required to file an organizational report pursuant to
19 section 11-321, alleged to have received a prohibited
20 contribution in violation of this section, shall be



1 administratively referred by the state ethics commission
2 executive director to the campaign spending commission.

3 (b) Where a violation of subsection (a) occurs because of
4 the acceptance or agreement to accept a prohibited contribution,
5 and the contribution is by check, the date of violation shall be
6 the date of the receipt of the check and not the date of
7 deposit.

8 ~~[(b)]~~ (c) For the purposes of this section:

9 "Elected official" has the same meaning as in section
10 11-342.

11 "Lobbyist" means any person actively registered as a
12 lobbyist with a state or county ethics board or commission.

13 "Session" means a period in which both legislative houses
14 are in session."

15 PART III

16 SECTION 12. This Act does not affect rights and duties
17 that matured, penalties that were incurred, and proceedings that
18 were begun before its effective date.

19 SECTION 13. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21



1 SECTION 14. This Act shall take effect upon its approval.



Report Title:

CSC; State Procurement Office; State and County Contractors; State and County Grantees; Officers of Contractors and Grantees; Third-Party Payment Processor Website Contributions; Prohibited Contributions; Appropriation

Description:

Requires disclosure of the names of compensated officers of state and county contractors and grantees. Prohibits the compensated officers of certain state and county contractors and grantees from making, promising, or soliciting certain campaign contributions for the duration of the contract or grant. Provides that, for contributions received through a third-party payment processor website, whether received by check or directly deposited to the candidate or noncandidate committee, the date the contributor executes the transaction on the third-party payment processor website shall be deemed the date of receipt and the date of acceptance for campaign finance reporting and compliance requirements. Clarifies that monetary contributions and other campaign funds shall be deposited within 14 days of their physical receipt in a depository institution. Requires unlawful contributions to be returned to the contributor within 30 calendar days of receipt or escheat to the Hawaii Election Campaign Fund. Clarifies that where a violation of the prohibition against contributions and expenditures by lobbyists during legislative session occurs because of the acceptance or agreement to accept a prohibited contribution, and the contribution is by check, the date of violation shall be the date of the receipt of the check and not the date of deposit. Appropriates moneys. (SD3)

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