
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 the State'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 Act 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. For example, the law 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 strengthen
5 prohibitions on political contributions from those who
6 financially benefit from government contracts and grants.

7 Accordingly, the purpose of this Act is to address this
8 defect and:

- 9 (1) Expand the ban on contributions from state and county
10 contractors to state and county grantees as well as to
11 the contractors' and grantees' compensated officers
12 and their immediate family members for contracts and
13 grants above certain thresholds;
- 14 (2) Require the disclosure of names of any compensated
15 officers and their immediate family members of a state
16 or county contractor or grantee for contracts or
17 grants exceeding a certain threshold; and
- 18 (3) Require the Campaign Spending Commission to make
19 available to candidate and noncandidate committees a
20 database that is on a password-protected section of
21 its website compiling the names of state and county



1 contractors and grantees, their compensated officers,
2 and the officer's immediate family members.

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

5 "[+]§11-355[+] Contributions by state [and] or county
6 contractors, state or county grantees, compensated officers of
7 state or county contractors or the officer's immediate family,
8 and compensated officers of state or county grantees or the
9 officer's immediate family; disclosures; database; prohibited.

10 (a) It shall be unlawful for any person who enters into any
11 contract with the State, any of the counties, or any department
12 or agency thereof either for the rendition of personal services,
13 the buying of property, or furnishing of any material, supplies,
14 or equipment to the State, any of the counties, any department
15 or agency thereof, or for selling any land or building to the
16 State, any of the counties, or any department or agency thereof,
17 if payment for the performance of the contract or payment for
18 material, supplies, equipment, land, property, or building is to
19 be made in whole or in part from funds appropriated by the
20 legislative body, at any time between 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 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 any compensated officer, or
9 the officer's immediate family, of any state or county
10 contractor under subsection (a) that is awarded a state or
11 county contract of \$100,000 or more for goods or services, or
12 \$250,000 or more for construction, at any time between the
13 execution of the contract through the completion of the contract
14 pursuant to subsection (h), to:

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

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



1 (c) It shall be unlawful for any person who receives a
2 grant or subsidy of \$100,000 or more from the State pursuant to
3 chapter 42F, or from a county pursuant to a county charter or
4 code, at any time between the execution of the contract through
5 the completion of the contract for the grant or subsidy to:

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

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

13 (d) It shall be unlawful for any compensated officer, or
14 the officer's immediate family, of a state or county grantee
15 under subsection (c), at any time between the execution of the
16 contract through the completion of the contract for the grant or
17 subsidy pursuant to subsection (h), 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 (e) 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)]~~ (f) Except as provided in ~~[subsection]~~ subsections
13 (a), (b), (c), and (d), this section [does] shall not prohibit
14 or make unlawful the establishment or administration of, or the
15 solicitation of contributions to, any noncandidate committee by
16 any person other than the state or county contractor, the state
17 or county grantee, the compensated officers of the state or
18 county grantee, or the officer's immediate family of a state or
19 county contractor or grantee, for the purpose of influencing the
20 nomination for election, or the election of any person to
21 office.



1 (g) At the time of execution of a contract or grant
2 subject to this section that meets the applicable thresholds
3 described in subsections (b) or (c), a state or county
4 contractor or grantee shall disclose to the commission a list of
5 the names of any compensated officers and the officer's
6 immediate family. The commission shall make the disclosed
7 information available to candidate and noncandidate committees
8 in a database that is on a password-protected section of the
9 commission's website; provided that the name of the contractor
10 or grantee and any officers may also be made available to the
11 public.

12 ~~(+e)~~ (h) For purposes of this section ~~[, "completion"]:~~

13 "Completion of the contract" means that the parties to the
14 government contract have either terminated the contract ~~[prior~~
15 ~~to]~~ before completion of performance or fully performed the
16 duties and obligations under the contract, no disputes relating
17 to the performance and payment remain under the contract, and
18 all disputed claims have been adjudicated and are final.

19 "Officer" means an individual who is:

20 (1) The owner of a sole proprietorship;



1 (2) A general partner of a general partnership, limited or
2 limited liability partnership;

3 (3) A manager or co-manager of a limited liability
4 company; or

5 (4) An officer of a corporation or any of the entities
6 described in this section.

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

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

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



1 calendar days of the end of the election period; provided that
2 the candidate, candidate committee, or noncandidate committee
3 may choose which contributions to return. Any excess
4 contribution not returned to the contributor within thirty
5 calendar days shall escheat to the Hawaii election campaign
6 fund."

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

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

12 SECTION 6. This Act shall take effect on November 4, 2026;
13 provided that this Act shall only apply to contracts or grants
14 executed on or after the effective date of this Act.



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 compensated 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' compensated 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. Requires the disclosure of names of any compensated officers and immediate family members of a state or county contractor or grantee for contracts or grants exceeding a certain amount. Requires the Campaign Spending Commission to make available to candidate and noncandidate committees the disclosed names in a password-protected database. Effective 11/4/2026. (SD1)

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