

JAN 18 2008

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# A BILL FOR AN ACT

RELATING TO CAMPAIGN FINANCE.

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

1           SECTION 1. Section 11-205.5, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§11-205.5 Campaign contributions by state and county**  
4 **contractors[-] and applicants for and recipients of grants and**  
5 **subsidies.** (a) It shall be unlawful for the person who enters  
6 into any contract with the State, any of its counties, or any  
7 department or agency thereof, either for the rendition of  
8 personal services, the buying of property, or the furnishing of  
9 any material, supplies, or equipment to the State, any of its  
10 counties, or any department or agency thereof, or for the  
11 selling of any land or building to the State, any of its  
12 counties, or any department or agency thereof, if payment for  
13 the performance of the contract or payment for the material,  
14 supplies, equipment, land, property, or building is to be made  
15 in whole or in part from funds appropriated by the legislative  
16 body, at any time between the [~~execution of the contract~~]



1 submission of a bid for a contract under chapter 103D through  
2 the completion of the contract, to:

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

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

10 (b) It shall be unlawful for any applicant for or  
11 recipient of a grant or subsidy administered under chapter 42F,  
12 at any time between the submission of the grant or subsidy  
13 application through the completion or expiration of the grant or  
14 subsidy award, to:

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

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



1        [~~(b)~~] (c) This section does not prohibit or make unlawful  
2 the establishment or administration of, or the solicitation of  
3 contributions to, any separate segregated fund by any state or  
4 national bank, corporation, or labor organization for the  
5 purpose of influencing the nomination for election or the  
6 election of any person to office; provided that the commission  
7 shall by rule establish contribution limits for limited  
8 liability companies as defined in section 428-101, limited  
9 liability partnerships as defined in section 425-101, and  
10 limited liability limited partnerships as defined in section  
11 425E-102. Sole proprietors subject to this section shall comply  
12 with applicable campaign contribution limits in section 11-204.

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

20        SECTION 2. This Act does not affect rights and duties that  
21 matured, penalties that were incurred, and proceedings that were  
22 begun, before its effective date.



1 SECTION 3. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: *Richard J.*  
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**Report Title:**

Campaign Contributions

**Description:**

Expands prohibition of campaign donations from persons who hold contracts with the government to include contractors who are recipients of grants or subsidies awarded under chapter 42F, Hawaii Revised Statutes. Extends prohibition period to begin at submission of a bid for a contract or application for a grant.

