Honolulu, Hawaii

MAR 0 3 2023

RE: S.B. No. 1179

S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 1179 entitled:

"A BILL FOR AN ACT RELATING TO CAMPAIGN FINANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to protect the State's democratic self-governance by:

- (1) Prohibiting foreign entities and foreign-influenced business entities from making independent expenditures, electioneering communications, or contributions to candidates or committees, or contributions or donations to other persons earmarked for those purposes;
- (2) Requiring every business entity that contributes or expends funds in a state election to file a statement of certification regarding its status as a foreign-influenced business entity or foreign corporation; and
- (3) Requiring noncandidate committees making only independent expenditures to obtain a statement of certification from each top contributor required to be listed in an advertisement.

Your Committee received testimony in support of this measure from the Campaign Spending Commission, League of Women Voters of

Hawaii, Center for American Progress, Free Speech for People, and five individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that political spending by foreign-influenced business entities can weaken, interfere with, or disrupt Hawaii's democratic self-governance and the trust that the electorate has in its elected representatives. Your Committee believes that existing law does not adequately protect against foreign interference through corporate political spending by United States corporations with significant foreign ownership. This measure will protect the integrity of Hawaii's democratic self-government by preventing foreign-influenced business entities from influencing Hawaii's elections through political spending.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2026; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1179, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Judiciary,

KARL RHOADS, Chair

2023-1796 SSCR SMA.docx



The Senate Thirty-Second Legislature State of Hawaiʻi

Record of Votes Committee on Judiciary JDC

Bill / Resolution No.:*	Committee Referral:			Date: 2/16/23	
The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WF	R) Nay	Excused
RHOADS, Karl (C)		V			
GABBARD, Mike (VC)					
ELEFANTE, Brandon J.C.					
SAN BUENAVENTURA, Joy A.		V			
AWA, Brenton					
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TOTAL		5		_	
Recommendation: Adopted Not Adopted					
Chair's of Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

^{*}Only one measure per Record of Votes