

Honolulu, Hawaii

FEB 11 2025

RE: S.B. No. 1032
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Transportation and Culture and the Arts, to which was referred S.B. No. 1032 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:

- (1) Amend the prohibition against foreign nationals and foreign corporations making campaign finance contributions and expenditures;
- (2) Require every business entity that contributes or expends funds in a state election to file a statement of certification regarding its limited foreign influence; and
- (3) Require 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 Free Speech For People, ILWU Hawaii, ILWU Local 142, UNITE HERE! Local 5, Hawai'i Alliance for Progressive Action, League of Women Voters, Our Hawai'i, and nine individuals.



Your Committee received testimony in opposition to this measure from the Global Business Alliance.

Your Committee finds that the federal government has concluded that Russia, China, Iran, and other foreign actors are engaged in ongoing campaigns, financial, digital, and more, to undermine democratic institutions. Your Committee believes that state elections should represent the democratic values of Hawaii communities. Strengthening the prohibition of foreign interference through political spending in state and local elections is critical for the independence and self-governance of Hawaii. Accordingly, this measure will ensure the continuity of independent Hawaii elections by increasing financial transparency and regulations in the State's campaign finance statutes.

Your Committee has amended this measure by:

- (1) Inserting definitions of "foreign-influenced business entity" and "foreign investor";
- (2) Inserting language that prohibits any foreign-influenced business entity from making contributions, expenditures, electioneering communications, or donations for election purposes;
- (3) Amending section 1 to reflect its amended purpose; and
- (4) 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 Transportation and Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1032, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1032, S.D. 1, and be referred to your Committee on Judiciary.



Respectfully submitted on
behalf of the members of the
Committee on Transportation and
Culture and the Arts,

A handwritten signature in black ink, appearing to read "Chris Lee", written over a horizontal line.

CHRIS LEE, Chair



Record of Votes
Committee on Transportation and Culture and the Arts
TCA

*Only one measure per Record of Votes