

Honolulu, Hawaii

FEB 10 2025

RE: S.B. No. 1173  
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 Judiciary, to which was referred S.B.  
No. 1173 entitled:

"A BILL FOR AN ACT RELATING TO ELECTIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to impose a fee on the total amount of independent expenditures made by a noncandidate committee during an election period.

Your Committee received testimony in support of this measure from the Hawai'i Alliance for Progressive Action, Green Party of Hawai'i, League of Women Voters of Hawaii, and forty individuals.

Your Committee received comments on this measure from the Campaign Spending Commission.

Your Committee finds that independent expenditures made by noncandidate committees significantly influence the electoral process in the State. These expenditures often dwarf the spending of individual candidates and voters, leading to concerns about corruption in elections. In *Citizens United v. Federal Election Commission*, the United States Supreme Court affirmed that political expenditures are a form of protected speech under the First Amendment of the United States Constitution. However, that holding did not exempt these expenditures from being subject to the State's authority to impose charges and fees. Your Committee



further finds that the United States Supreme Court has found that independent expenditures could not lead to corruption or the appearance of corruption, which has been the main justification for the enactment of campaign spending laws. Your Committee also finds that the Campaign Spending Commission is critical in maintaining transparency, ensuring the State's elections are free from corruption, and supporting public confidence in the electoral process. This measure will provide the Campaign Spending Commission with additional funding to combat corruption in the State's elections.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the purpose of the fee imposed by this measure is to ensure that the State's elections remain free from corruption;
- (2) Requiring that one hundred percent of the revenues generated from the fee imposed by this measure be used by the Campaign Spending Commission for the purposes of hiring additional inspectors, attorneys, and staff, as well as upgrading administrative and technological systems for campaign oversight, rather than designating that seventy-five percent of the revenues be used for public campaign financing programs;
- (3) Inserting an effective date of April 23, 2057, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes the concerns raised by the Campaign Spending Commission regarding the constitutionality of this measure and intends to obtain an opinion from the Department of the Attorney General.

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. 1173, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1173, S.D. 1, and be referred to your Committee on Ways and Means.



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

A handwritten signature in black ink, appearing to read "Karl Rhoads". The signature is written in a cursive, slightly slanted style.

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KARL RHOADS, Chair



**Record of Votes**  
**Committee on Judiciary**  
**JDC**

\*Only one measure per Record of Votes