STAND. COM. REP. NO. [4]

Honolulu, Hawaii

FEB 1 0 2023

RE: S.B. No. 18

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 Commerce and Consumer Protection, to which was referred S.B. No. 18 entitled:

"A BILL FOR AN ACT RELATING TO CORPORATIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to require domestic and foreign corporations to provide their shareholders with reports of independent expenditures and political contributions.

Your Committee received comments on this measure from Matson Navigation Company, Inc.

Your Committee finds that corporate reporting requirements serve important interests, such as providing shareholders with information, deterring corruption and avoiding any appearance thereof, and gathering the data necessary to enforce more substantive electioneering restrictions. Existing federal and state law currently require corporations to make independent expenditures and political contributions publicly available. However, this information is not provided directly to shareholders but rather is made available on the State of Hawaii Campaign Spending Commission website and the United States Federal Election Commission website. Providing this information directly to shareholders would provide additional scrutiny of compliance with reporting and disclosure requirements. Accordingly, this measure requires domestic and foreign corporations to provide shareholders

with reports of independent expenditures and political contributions.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 18, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 18, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on behalf of the members of the Committee on Commerce and Consumer Protection.

KEOHOKALOLE, Chair

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## The Senate Thirty-Second Legislature State of Hawai'i

## Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:*	Committee Referral:			Date:		
5018	CPN, JDC				131/2	3
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) N	lay	Excused
KEOHOKALOLE, Jarrett (C)						
FUKUNAGA, Carol (VC)		V				
MCKELVEY, Angus L.K.	V	ļ				
RICHARDS, III, Herbert M. "Tim"		V				
AWA, Brenton	V					
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TOTAL		5	0	0		0
Recommendation:  Adopted  Not Adopted						
Chair's or Designee's Signature:  Median against the company of th						
<b>Distribution:</b> Original File with Committee Re	Yellow Pink			Goldenrod ency Committee File Copy		

\*Only one measure per Record of Votes