

STAND. COM. REP. NO. 1042

Honolulu, Hawaii

FEB 28 2025

RE: S.B. No. 1032
S.D. 2

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. 1032, S.D. 1, 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) Prohibit foreign entities and foreign-influenced business entities from making contributions, expenditures, electioneering communications, or donations for election purposes;
- (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 the Campaign Spending Commission, League of Women Voters of Hawaii, Common Cause Hawaii, UNITE HERE! Local 5, ILWU Hawaii, ILWU Local 142, Free Speech for People, and seven individuals.



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

Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that elections are increasingly influenced by the amount of money used by or for the benefit of certain candidates, resulting in candidates getting elected who are beholden to certain interests, including large corporations. Your Committee further finds that large corporations have far more money to spend on elections than individuals, local groups, or local businesses, resulting in a government that is under increasing pressure to legislate the interests of corporations, even when it goes against the best interests of working people in local communities. This measure will protect the State's system of self-governance from unwanted and harmful outside corporate influence.

Your Committee notes the case of *Minn. Chamber of Comm. v. Choi*, in which the United States District Court in the Eighth Circuit issued a preliminary injunction to block a Minnesota law that would have restricted political activities by foreign-influenced corporations in state elections.

Your Committee has amended this measure by:

- (1) Deleting language that would have required every business entity that contributes or expends funds in a state election to file a statement of certification regarding its limited foreign influence;
- (2) Inserting language that allows every business entity that contributes or expends funds in a state election to certify that the entity is not and will not be a foreign corporation or foreign-influenced business entity if the entity intends to make contributions or expenditures within an election cycle;
- (3) Specifying that if the conditions that determine whether a business entity qualifies as a foreign-influenced business entity are held unconstitutional by a final



judgment, including all appeals, then the Campaign Spending Commission is required to establish revised conditions that are constitutional;

- (4) Amending section 1 to reflect its amended purpose; and
- (5) 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. 1032, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1032, S.D. 2.

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



KARL RHOADS, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:* SB 1032, SDI	Committee Referral: TCA, JDC	Date: 2/27/25		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Pass, unamended 2312 </div> <div> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div> <input type="checkbox"/> Hold 2310 </div> <div> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
GABBARD, Mike (VC)	✓			
CHANG, Stanley	✓			
SAN BUENAVENTURA, Joy A.	✓			
AWA, Brenton	✓			
TOTAL	5	—	—	—
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: 				
<div style="display: flex; justify-content: space-between; font-size: small;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: x-small; margin-top: 5px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

***Only one measure per Record of Votes**