

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,

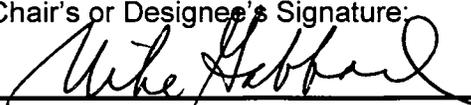


KARL RHOADS, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1173	JDC, WAM	1/31/25		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
GABBARD, Mike (VC)	✓			
CHANG, Stanley	✓			
SAN BUENAVENTURA, Joy A.		✓		
AWA, Brenton				✓
TOTAL	3	1	—	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or 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