

JAN 23 2026

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# A BILL FOR AN ACT

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RELATING TO CAMPAIGN FINANCE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that the State has a  
2 compelling interest in securing its democratic self-governance  
3 from foreign influence. The State welcomes immigrants,  
4 visitors, and investors from around the world; however, its  
5 elections should be decided by the people of Hawaii and not by  
6 foreign entities.

7       The legislature further finds that the United States  
8 government has concluded that Russia, China, Iran, and other  
9 foreign actors are engaged in ongoing campaigns to undermine  
10 democratic institutions, as set forth in the joint statement  
11 "Combating Foreign Influence in United States Elections", issued  
12 by the Office of the Director of National Intelligence, United  
13 States Department of Justice, Federal Bureau of Investigation  
14 (FBI), and United States Department of Homeland Security on  
15 October 19, 2018. The FBI has also concluded that foreign-  
16 influenced activities include "criminal efforts to suppress  
17 voting and provide illegal campaign financing", as set forth in



1 FBI Director Christopher Wray's press briefing on election  
2 security on August 2, 2018.

3 The legislature also finds that the United States Congress  
4 recognized the need to protect American elections from foreign  
5 influence through the ban on contributions and expenditures by  
6 foreign nationals imposed by title 52 United States Code section  
7 30121, upheld in *Bluman v. Federal Election Commission*,  
8 800 F.Supp.2d 281 (D.D.C. 2011), summarily affirmed, 565 U.S.  
9 1104 (2012). Several states, including Hawaii, have enacted  
10 similar laws that ban foreign nationals from making  
11 contributions or expenditures in connection with state or local  
12 elections.

13 The legislature further finds that former President Barack  
14 Obama warned of foreign corporate spending in state elections.  
15 Political spending by foreign entities can weaken, interfere  
16 with, or disrupt a state's democratic self-government and the  
17 trust that the electorate has in its elected representatives.  
18 In Hawaii, both foreign nationals and foreign corporations are  
19 prohibited from making contributions or expenditures to or on  
20 behalf of a candidate, candidate committee, or noncandidate  
21 committee. However, more can be done to protect the integrity



1 of Hawaii's democratic self-government from foreign entities  
2 that seek to influence Hawaii's elections through political  
3 spending.

4 The purpose of this Act is to protect the State's  
5 democratic self-governance by:

6 (1) Prohibiting foreign entities and foreign-influenced  
7 business entities from making contributions,  
8 expenditures, electioneering communications, or  
9 donations for election purposes;

10 (2) Requiring every business entity that contributes or  
11 expends funds in a state election to certify that the  
12 entity was not a foreign corporation or foreign-  
13 influenced business entity when the contribution or  
14 expenditure was made;

15 (3) Specifying that if the conditions that determine  
16 whether a business entity qualifies as a  
17 foreign-influenced business entity are held  
18 unconstitutional by a final judgment, including all  
19 appeals, the campaign spending commission is required  
20 to establish revised conditions that are  
21 constitutional; and



(4) Requiring noncandidate committees making only independent expenditures to obtain a statement of certification from each top contributor required to be listed in an advertisement avowing that none of the funds contributed were derived from foreign entities or foreign-influenced business entities.

SECTION 2. Section 11-302, Hawaii Revised Statutes, is amended by adding three new definitions to be appropriately inserted and to read as follows:

"Business entity" means a for-profit corporation, company, limited liability company, limited partnership, business trust, or business association, or other similar for-profit business entity.

"Foreign-influenced business entity" means a business entity that meets at least one of the following conditions:

(1) A single foreign investor holds, owns, controls, or otherwise has direct or indirect beneficial ownership of one per cent or more of the total equity, outstanding voting shares, membership units, or other applicable ownership interests of the business entity;



1        (2) Six or more foreign investors, in aggregate, hold,  
2        own, control, or otherwise have direct or indirect  
3        beneficial ownership of five per cent or more of the  
4        total equity, outstanding voting shares, membership  
5        units, or other applicable ownership interests of the  
6        business entity; or

7        (3) A foreign investor participates directly or indirectly  
8        in the business entity's decision-making process with  
9        respect to the business entity's political activities  
10       in the United States.

11       "Foreign investor" means a person or entity that:

12       (1) Holds, owns, controls, or otherwise has direct or  
13       indirect beneficial ownership of equity, outstanding  
14       voting shares, membership units, or other applicable  
15       ownership interests of a business entity; and

16       (2) Is:

17       (A) A government or subdivision of a foreign country;

18       (B) A foreign political party;

19       (C) An individual outside the United States who is

20       not a citizen of the United States or a national



of the United States and who is not lawfully  
admitted for permanent residence; or

(D) A business entity:

(i) That is organized under the laws of or  
having its principal place of business in a  
foreign country; or

(ii) In which a person or entity described in  
subparagraph (A), (B), or (C) holds, owns,  
controls, or otherwise has directly or  
indirectly acquired a beneficial ownership  
of equity, voting shares, membership units,  
or other applicable ownership interests of  
the business entity in an amount that is  
equal to or greater than fifty per cent of  
the total equity, outstanding voting shares,  
membership units, or other applicable  
ownership interests of the business entity."

SECTION 3. Section 11-356, Hawaii Revised Statutes, is  
amended to read as follows:

"[+]§11-356[+] Contributions and expenditures by a foreign  
national [ex], foreign corporation, or foreign-influenced



1 **business entity; prohibited.** (a) ~~[Except as provided in~~  
2 ~~subsection (b), no]~~ No contributions or expenditures shall be  
3 made to or on behalf of a candidate, candidate committee, or  
4 noncandidate committee~~[7]~~ by a foreign national ~~[or]~~, foreign  
5 corporation, or foreign-influenced business entity, including a  
6 domestic subsidiary of a foreign corporation, ~~[a]~~ domestic  
7 corporation that is owned by a foreign national, or ~~[a]~~ local  
8 subsidiary where administrative control is retained by the  
9 foreign corporation~~[, and in the same manner prohibited under 2~~  
10 ~~United States Code section 441e and 11 Code of Federal~~  
11 ~~Regulations section 110.20, as amended.~~

12 ~~(b) A foreign-owned domestic corporation may make~~  
13 ~~contributions if:~~

14 ~~(1) Foreign national individuals do not participate in~~  
15 ~~election-related activities, including decisions~~  
16 ~~concerning contributions or the administration of a~~  
17 ~~candidate committee or noncandidate committee; or~~

18 ~~(2) The contributions are domestically derived].~~

19 (b) No independent expenditures or electioneering  
20 communications shall be made by a foreign national, foreign  
21 corporation, or foreign-influenced business entity.



1        (c) No contribution or donation shall be made to any  
2 person by a foreign national, foreign corporation, or  
3 foreign-influenced business entity if the contribution or  
4 donation is earmarked for the recipient to make a campaign  
5 finance contribution or expenditure, including independent  
6 expenditure or electioneering communication.

7        (d) Within seven calendar days, a for-profit business  
8 entity that makes a contribution or expenditure, including an  
9 independent expenditure, shall file with the campaign spending  
10 commission a statement of certification signed by the business  
11 entity's chief executive officer avowing under penalty of  
12 perjury that, after due inquiry, the business entity was not a  
13 foreign corporation or foreign-influenced business entity on the  
14 date the contribution or expenditure was made.

15       (e) If a business entity intends to make more than one  
16 contribution to or expenditure on behalf of a candidate,  
17 candidate committee, or noncandidate committee, including  
18 independent expenditures or electioneering communications,  
19 within an election cycle, that business entity may, within seven  
20 days after making its first contribution or expenditure of an  
21 election cycle, file with the commission a statement of





1 certification signed by the business entity's chief executive  
2 officer avowing under penalty of perjury that:

3 (1) After due inquiry, the business entity was not a  
4 foreign corporation or foreign-influenced business  
5 entity on the date the contribution or expenditure was  
6 made;

7 (2) The business entity will conduct due inquiry before  
8 any future contribution or expenditure to determine if  
9 the business entity has become a foreign corporation  
10 or foreign-influenced business entity; and

11 (3) Any future contribution or expenditure shall only be  
12 made if the commission determines, after due inquiry,  
13 that the business entity is not a foreign corporation  
14 or foreign-influenced business entity.

15 (f) If a business entity does not file a certificate with  
16 the campaign spending commission that complies with subsection  
17 (e) of this section, then the business entity shall file a  
18 certificate that complies with subsection (d) of this section  
19 within seven days of each one of its contributions or  
20 expenditures, including independent expenditures.



1        (g) If a business entity files a certificate in compliance  
2 with subsection (e) of this section within the course of an  
3 election cycle and later in that election cycle determines that  
4 it has become a foreign corporation or foreign-influenced  
5 business entity, then within seven days it shall file with a  
6 commission a statement signed by the business entity's chief  
7 executive officer avowing under penalty of perjury that it has  
8 become a foreign corporation or foreign-influenced business  
9 entity.

10       (h) For the purposes of certification under subsection  
11 (d), the business entity shall ascertain beneficial ownership in  
12 a manner:

13       (1) Consistent with the Hawaii Business Corporation Act,  
14       chapter 414; or

15       (2) If it is registered on a national securities exchange,  
16       as set forth in title 17 Code of Federal Regulations  
17       sections 240.13d-3 and 240.13d-5.

18       (i) If the conditions that determine whether a business  
19 entity qualifies as a foreign-influenced business entity  
20 pursuant to section 11-302 are held to be unconstitutional by a  
21 binding final judgment of court, inclusive of all appeals, the



1 commission shall establish revised conditions that are  
2 constitutional and further the State's interest as set forth in  
3 Act \_\_\_\_\_, Session Laws of Hawaii 2026; provided that the revised  
4 conditions shall be relied upon by business entities in  
5 determining whether they are foreign-influenced business  
6 entities pursuant to this section.

7 (j) A contribution made by a foreign national, foreign  
8 corporation, or foreign-influenced business entity, or a  
9 contribution made by any entity that received funds from a  
10 foreign national, foreign corporation, or foreign-influenced  
11 business entity in violation of subsection (c) of this section,  
12 shall escheat to the Hawaii election campaign fund.

13 (k) For the purposes of this section:

14 "Chief executive officer" means the highest-ranking officer  
15 or individual having authority to make decisions regarding a  
16 business entity's affairs.

17 "Earmarked" means a designation or instruction, whether  
18 direct or indirect, express or implied, oral or written, that  
19 results in all or any part of the contribution or donation being  
20 expended in a manner that would be prohibited by this section if



1 made by a foreign national, foreign corporation, or  
2 foreign-influenced business entity."

3 SECTION 4. Section 11-393, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 **"§11-393 Identification of certain top contributors to**  
6 **noncandidate committees making only independent expenditures.**

7 (a) An advertisement shall contain an additional notice in a  
8 prominent location immediately after or below the notices  
9 required by section 11-391, if the advertisement is broadcast,  
10 televised, circulated, or published, including by electronic  
11 means, and is paid for by a noncandidate committee that  
12 certifies to the commission that it makes only independent  
13 expenditures. This additional notice shall start with the  
14 words, "The three top contributors for this advertisement are",  
15 followed by the names of the three top contributors[~~, as defined~~  
16 ~~in subsection (c),~~] who made the highest aggregate contributions  
17 to the noncandidate committee for the purpose of funding the  
18 advertisement; provided that:

19 (1) If a noncandidate committee is only able to identify  
20 two top contributors who made contributions for the  
21 purpose of funding the advertisement, the additional



1 notice shall start with the words, "The two top  
2 contributors for this advertisement are", followed by  
3 the names of the two top contributors;

4 (2) If a noncandidate committee is able to identify only  
5 one top contributor who made contributions for the  
6 purpose of funding the advertisement, the additional  
7 notice shall start with the words, "The top  
8 contributor for this advertisement is", followed by  
9 the name of the top contributor;

10 (3) If a noncandidate committee is unable to identify any  
11 top contributors who made contributions for the  
12 purpose of funding the advertisement, the additional  
13 notice shall start with the words, "The three top  
14 contributors for this noncandidate committee are",  
15 followed by the names of the three top contributors  
16 who made the highest aggregate contributions to the  
17 noncandidate committee; and

18 (4) If there are no top contributors to the noncandidate  
19 committee, the noncandidate committee shall not be  
20 subject to this section.



1 In no case shall a noncandidate committee be required to  
2 identify more than three top contributors pursuant to this  
3 section.

4 (b) If a noncandidate committee has more than three top  
5 contributors who contributed in equal amounts, the noncandidate  
6 committee may select which of the top contributors to identify  
7 in the advertisement; provided that the top contributors not  
8 identified in the advertisement did not make a higher aggregate  
9 contribution than those top contributors who are identified in  
10 the advertisement. The additional notice required for  
11 noncandidate committees described under this subsection shall  
12 start with the words "Three of the top contributors for this  
13 advertisement are" or "Three of the top contributors to this  
14 noncandidate committee are", as appropriate, followed by the  
15 names of the three top contributors.

16 (c) This section shall not apply to advertisements  
17 broadcast by radio or television of ~~such~~ short duration that  
18 including a list of top contributors in the advertisement would  
19 constitute a hardship to the noncandidate committee paying for  
20 the advertisement. A noncandidate committee shall be subject to  
21 all other requirements under this part regardless of whether a



1 hardship exists pursuant to this subsection. The commission  
2 shall adopt rules pursuant to chapter 91 to establish criteria  
3 to determine when including a list of top contributors in an  
4 advertisement of short duration constitutes a hardship to a  
5 noncandidate committee under this subsection.

6 (d) A noncandidate committee shall obtain a statement of  
7 certification, signed under oath as defined in, and on a form as  
8 described in, section 710-1000, from each top contributor  
9 required to be listed in an advertisement pursuant to this  
10 section avowing under penalty of law that, after due inquiry,  
11 none of the funds contributed by the top contributor were  
12 derived from a foreign national, foreign corporation, or  
13 foreign-influenced business entity. If a noncandidate committee  
14 does not receive a statement of certification from a top  
15 contributor, the advertisement shall include the following  
16 statement: "Some of the funds used to pay for this message may  
17 have been provided by foreign corporations or foreign-influenced  
18 business entities". A noncandidate committee may rely on a  
19 statement of certification provided by a top contributor unless  
20 the noncandidate committee has actual knowledge that the  
21 statement of certification is false.



1        [~~(d)~~] (e) Any noncandidate committee that violates this  
2 section shall be subject to a minimum fine of \$1,000 per  
3 violation.

4        [~~(e)~~] (f) For purposes of this section, "top contributor"  
5 means a contributor who has contributed an aggregate amount of  
6 \$10,000 or more to a noncandidate committee within a twelve-  
7 month period before the purchase of an advertisement."

8        SECTION 5. Nothing in this Act shall be construed to  
9 diminish or infringe upon any right protected under the First  
10 Amendment of the Constitution of the United States or conflict  
11 with any federal statute or regulation.

12        SECTION 6. If any provision of this Act, or the  
13 application thereof to any person or circumstance, is held  
14 invalid, the invalidity does not affect other provisions or  
15 applications of the Act that can be given effect without the  
16 invalid provision or application, and to this end the provisions  
17 of this Act are severable.

18        SECTION 7. This Act does not affect rights and duties that  
19 matured, penalties that were incurred, and proceedings that were  
20 begun before its effective date.





1       SECTION 8. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3       SECTION 9. This Act shall take effect upon its approval.

4

INTRODUCED BY: \_\_\_\_\_

A handwritten signature in black ink, appearing to be 'C. Lee', is written over a horizontal line.

# S.B. NO. 2982

**Report Title:**

CSC; Campaign Finance; Foreign Entities; Foreign-Influenced Business Entities

**Description:**

Prohibits foreign entities and foreign-influenced business entities from making contributions, expenditures, electioneering communications, or donations for election purposes. Requires every business entity that contributes or expends funds in a state election to certify that the entity was not a foreign corporation or foreign-influenced business entity when the contribution or expenditure was made. Specifies 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, the Campaign Spending Commission is required to establish revised conditions that are constitutional. Requires noncandidate committees making only independent expenditures to obtain a statement of certification from each top contributor required to be listed in an advertisement avowing that no funds were derived from foreign entities or foreign-influenced business entities.

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