

STAND. COM. REP. NO. 3094

Honolulu, Hawaii

MAR 06 2026

RE: S.B. No. 2471
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 2471, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE POWERS OF ARTIFICIAL PERSONS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Reaffirm that artificial persons created under state law possess only those powers that are necessary or convenient to carry out lawful business and charitable or organizational purposes, and that those powers do not include the power to spend money or contribute anything of value to influence elections or ballot measures; and
- (2) Revoke all prior grants of corporate and entity powers and regrant only those powers that the State determines to be necessary or convenient to conduct lawful business under the constitution and laws of the State.

Your Committee received testimony in support of this measure from Indivisible Hawai'i, Democratic Party of Hawai'i, League of Women Voters of Hawaii, and forty-one individuals.

Your Committee received testimony in opposition to this measure from one individual.



Your Committee received comments on this measure from the Department of the Attorney General, Business Registration Division of the Department of Commerce and Consumer Affairs, and Center for American Progress.

Your Committee finds that since the United States Supreme Court's holding in *Citizens United v. Federal Election Commission*, corporations and other entities have spent large sums of money to influence political campaigns and elections, undermining public trust in the democratic process. However, the Hawaii State Constitution authorizes the Legislature to redefine or withdraw any corporate or entity powers that the State has conferred. This measure will prevent corporations and other artificial persons from using state-conferred privileges to influence elections in the State and restore public confidence in the electoral process.

Your Committee notes the concern raised by the Center for American Progress that this measure, as introduced, included provisions that prohibited foreign entities from engaging in election and ballot-issue activities. Under existing law, a "foreign" corporation includes any entity that is not organized under the laws of the State, including corporations formed in other states as well as those formed outside of the United States. However, the provisions subjecting foreign entities to the prohibitions of this measure were deleted and the Center for American Progress believes that the removal of these provisions substantially weakens this measure and undermines its core purpose. Therefore, amendments to this measure are necessary to address this concern.

Your Committee has amended this measure by:

- (1) Restoring language which was previously included in this measure, as introduced, that subjects foreign entities to the prohibitions of this measure; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B.



No. 2471, S.D. 1, as amended herein, and recommends that it pass
Third Reading in the form attached hereto as S.B. No. 2471,
S.D. 2.

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

Karl Rhoads

KARL RHOADS, Chair



