

STAND. COM. REP. NO. 2518

Honolulu, Hawaii

FEB 20 2026

RE: S.B. No. 2982
S.D. 1

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

Sir:

Your Committee on Water, Land, Culture and the Arts, to which was referred S.B. No. 2982 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 certify that the entity was not a foreign corporation or foreign-influenced business entity when the contribution or expenditure was made;
- (3) Specify 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; and



- (4) Require 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.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii, Free Access Coalition, Unite Here Local 5, Free Speech for People, Women Organizing for Change in Agriculture and Natural Resource Management, HULI PAC, International Longshore and Warehouse Union Hawai'i, Our Hawai'i, and thirty-nine individuals.

Your Committee received comments on this measure from the Department of the Attorney General and Campaign Spending Commission.

Your Committee finds that political elections are increasingly influenced by money, with large corporations and affluent individuals having far more money to spend on elections than working class people or local groups or businesses. Thus, those politicians elected by wealthy donors are beholden to them and tend to legislate in their interests instead of the interests of local communities. Your Committee believes that the State's governance should be determined first and foremost by the people of the State. This measure will help keep democracy in the hands of the people by making significant strides to remove the influence of foreign corporations and entities from state elections.

Your Committee notes the concern raised in testimony by the Department of the Attorney General that the disclaimer that is required by the measure to be included in advertisements of noncandidate committees who are unable to obtain a top-contributor certification is ambiguous, may raise First Amendment concerns, and could chill political participation. Your Committee also notes the concern raised in testimony by the Campaign Spending Commission that the effective date of the measure does not provide enough time to effectively implement the requirements that the Commission create a certification form, establish relevant internal administrative procedures, and disseminate education materials informing committees and business entities about the new



requirements. Your Committee also notes the federal government already regulates foreign influenced entities engaged in transporting cargo and subject to section 27 of the Merchant Marine Act. Therefore, the State will regulate all others. Amendments to this measure are therefore necessary to address these concerns.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language to exempt entities engaged in transporting cargo and subject to section 27 of the Merchant Marine Act of 1920;
- (2) Specifying that if a noncandidate committee does not receive a statement of certification from a top contributor the advertisement shall include the following statement: "Some of the funds used to pay for this message may have been provided by foreign corporations or foreign-influenced business entities, as no certification disclosing foreign influence was provided";
- (3) Changing the effective date from the date of approval to January 1, 2028; and
- (4) 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 Water, Land, Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2982, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2982, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Water, Land,
Culture and the Arts,



CHRIS LEE, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Water, Land, Culture and the Arts
WLA

Bill / Resolution No.:* SB 2982	Committee Referral: WLA, JDC	Date: 2/4/2026
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The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye/	Aye (WR)	Nay	Excused
LEE, Chris (C)	✓			
INOUYE, Lorraine R. (VC)	✓			
CHANG, Stanley				✓
LAMOSAO, Rachele	✓			
DECORTE, Samantha	✓			
TOTAL	4			1

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:
Lorraine R. Inouye

Distribution: Original Yellow Pink
File with Committee Report Committee Drafting Agency

*Only one measure per Record of Votes