Honolulu, Hawaii

MAR 0 6 2026

RE: S.B. No. 2982
      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. 2982, 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 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;

(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; and

(5)   Exempt entities engaged in transporting cargo and
       subject to section 27 of the Merchant Marine Act of
       1920.

     Your Committee received testimony in support of this measure
from the Campaign Spending Commission, UNITE HERE! Local 5, Free
Speech for People, League of Women Voters of Hawaii, and five
individuals.

     Your Committee received testimony in opposition to this
measure from two individuals.

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

     Your Committee finds that Russia, China, and other state
actors have taken action to influence the United States' elections
with social media campaigns, bots to circulate disinformation
about candidates, and by promoting candidates who will serve their
needs, rather than the American people. This measure will provide
the State with a legal standard to aid efforts to prevent foreign
influence directly affecting political campaigns in the State.

     Your Committee notes that this measure requires that if a
noncandidate committee does not receive a statement of
certification from a top contributor, the advertisement must
include the 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". This disclaimer may be read as
suggesting the presence of foreign funding simply because a
certification was not provided, rather than because the State has
not identified any foreign source. Your Committee believes that a
compelled disclaimer that could be understood as misleading may
raise First Amendment concerns and could chill political

participation, and therefore amendments to this measure are necessary.

Accordingly, your Committee has amended this measure by:

(1) Replacing the statement required to be included in an advertisement if a noncandidate committee does not receive a statement of certification from a top contributor with a statement that reads: "The following top contributor(s) did not provide certification regarding foreign influence"; 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. 2982, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2982, 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 Hawaiʻi

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:*	Committee Referral:	Date:
SB 2982 SD1	WLA、JDC	3/4/26

☐ 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
RHOADS, Karl (C)	✓			
GABBARD, Mike (VC)	✓			
CHANG, Stanley	✓			
SAN BUENAVENTURA, Joy A.				✓
AWA, Brenton	✓			
TOTAL	4	—	—	1

Recommendation:

☑ Adopted   ☐ Not Adopted

Chair's or Designee's Signature:

Mike _[signature]_

Distribution: Original   Yellow   Pink
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*Only <u>one</u> measure per Record of Votes