

STAND. COM. REP. NO.

3417

Honolulu, Hawaii

MAR 13 2020

RE: H.B. No. 2738
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 2738, H.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 nationals and foreign corporations from making independent expenditures;
- (2) Require every corporation that contributes or expends funds in a state election to file a statement of certification regarding its limited foreign influence; and
- (3) Require noncandidate committees making only independent expenditures to obtain a statement of certification from each top contributor required to be listed in an advertisement.

Your Committee received testimony in support of this measure from Common Cause Hawaii, Pono Hawai'i Initiative, Americans for Democratic Action, League of Women Voters of Hawaii, and seven individuals. Your Committee received comments on this measure from the Office of Elections and Campaign Spending Commission.



Your Committee finds that the State has a compelling interest in securing its democratic self-governance from foreign influence. This measure protects the State's democratic self-governance by prohibiting foreign nationals and foreign corporations from making independent expenditures; requiring every corporation that contributes or expends funds in a state election to file a statement of certification regarding its status as a foreign corporation; and requiring noncandidate committees making only independent expenditures to obtain a statement of certification from each top contributor required to be listed in an advertisement.

Your Committee has amended this measure by:

- (1) Deleting language that would have provided exceptions for foreign nationals and foreign corporations to make independent expenditures;
- (2) Requiring every corporation that contributes or expends funds in a state election to file a statement of certification regarding its limited foreign influence with the Campaign Spending Commission, rather than the Office of Elections; and
- (3) 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 H.B. No. 2738, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2738, H.D. 1, 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
Thirtieth Legislature
State of Hawai'i

**Record of Votes
Committee on Judiciary
JDC**

Bill / Resolution No.:* HB 2738 HD1	Committee Referral: JDC, WAM	Date: 3/10/2020		
<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)	/			
KEOHOKALOLE, Jarrett (VC)	/			
GABBARD, Mike	/			
KIM, Donna Mercado	/			
FEVELLA, Kurt				/
TOTAL	4			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