

STAND. COM. REP. NO. 2027

Honolulu, Hawaii

MAR 03 2022

RE: S.B. No. 166  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 166 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, Americans for Democratic Action Hawai'i, Campaign Legal Center, Center for American Progress, Free Speech for People, and three individuals. Your Committee received comments on this measure from the Campaign Spending Commission.



Prior to decision making on this measure, your Committee made available for public review a proposed S.D. 1 of this measure. The proposed S.D. 1 retained certain contents of this measure and also inserted provisions that:

- (1) Prohibit foreign nationals and foreign-influenced corporations from making independent expenditures, electioneering communications, or contributions to candidates or committees; and
- (2) Require recipients of corporate donations from expending funds for certain purposes unless the contributing corporation has certified that the corporation is not foreign-influenced.

Your Committee received testimony in support of the proposed S.D. 1 from the Center for American Progress and two individuals. Your Committee received comments on the proposed S.D. 1 from the Campaign Spending Commission, Common Cause Hawaii, and Free Speech for People.

Your Committee finds that that the State has a compelling interest in securing its democratic self-governance from foreign influence. Your Committee further finds that former President Barack Obama warned of foreign corporate spending in state elections and that Ellen Weintraub, commissioner of the Federal Election Commission, and Ann Ravel, former commissioner of the Federal Election Commission, specifically called on states to enact legislation to limit the influence of foreign corporate spending on American elections. This measure limits foreign-influenced corporate political spending to protect the integrity of the State's elections from foreign corporate influence.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending this measure by:

- (1) Clarifying that every corporation that contributes to or makes an expenditure of more than \$1,000 in an election cycle on behalf of a candidate, candidate committee, or noncandidate committee, including an independent expenditure or electioneering communication, shall file with the Campaign Spending Commission a statement of certification;



- (2) Clarifying that if a noncandidate committee does not receive a statement of certification from a top contributor, then the noncandidate committee shall return the contribution to the top contributor; 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 S.B. No. 166, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 166, S.D. 1, and be placed on the calendar for Third Reading.

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



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KARL RHOADS, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Judiciary**  
**JDC**

Bill / Resolution No.:* <b>SB 166</b>	Committee Referral: <b>JDC</b>	Date: <b>02-17-22</b>
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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
RHOADS, Karl (C)	✓			
KEOHOKALOLE, Jarrett (VC)	✓			
ACASIO, Laura	✓			
GABBARD, Mike	✓			
KIM, Donna Mercado	✓			
LEE, Chris	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>

Recommendation:     Adopted     Not Adopted

Chair's or Designee's Signature: *Karl Rhoads*

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\*Only one measure per Record of Votes