

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 18
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B.
No. 18, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CORPORATIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to require domestic and foreign corporations to provide their shareholders with reports of independent expenditures and political contributions.

Your Committee received comments on this measure from the Hawaii Bankers Association.

Your Committee finds that the State's corporate reporting requirements deter actual corruption by corporations attempting to circumvent reporting and disclosure requirements and enable corporations to avoid the appearance of corruption by exposing the source of contributions and expenditures. Shareholders may use this information to file derivative suits. Your Committee further finds that corporate reporting requirements provide a means of detecting violations of valid contribution limitations and preventing circumvention of the State's campaign spending limitations, including rules that bar contributions by foreign corporations. This measure will provide additional scrutiny of compliance with reporting and disclosure requirements.



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. 18, S.D. 1, and recommends that it pass Third Reading.

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

Karl Rhoads

KARL RHOADS, Chair



