

STAND. COM. REP. NO. **141**

Honolulu, Hawaii

FEB 10 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 Commerce and Consumer Protection, to which was referred S.B. No. 18 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 Matson Navigation Company, Inc.

Your Committee finds that corporate reporting requirements serve important interests, such as providing shareholders with information, deterring corruption and avoiding any appearance thereof, and gathering the data necessary to enforce more substantive electioneering restrictions. Existing federal and state law currently require corporations to make independent expenditures and political contributions publicly available. However, this information is not provided directly to shareholders but rather is made available on the State of Hawaii Campaign Spending Commission website and the United States Federal Election Commission website. Providing this information directly to shareholders would provide additional scrutiny of compliance with reporting and disclosure requirements. Accordingly, this measure requires domestic and foreign corporations to provide shareholders



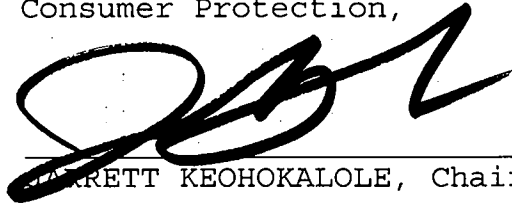
with reports of independent expenditures and political contributions.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 18, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 18, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



GARRETT KEOHOKALOLE, Chair



