Honolulu, Hawaii

RE: S.C.R. No. 32

S.D. 1 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Legislative Management, to which was referred S.C.R. No. 32, S.D. 1, entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE STATE
PROCUREMENT OFFICE AND THE STATE ETHICS COMMISSION TO REVIEW
POSSIBLE PROCUREMENT CODE AND ETHICS VIOLATIONS COMMITTED BY
THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND
TOURISM,"

begs leave to report as follows:

The purpose of this concurrent resolution is to request the State Procurement Office (SPO) and the State Ethics Commission to review possible Procurement Code and ethics violations by the Department of Business, Economic Development, and Tourism (DBEDT) relating to the 2005 trade missions to the People's Republic of China and the Republic of Korea.

The State Representative from the 39th District (Wahiawa, Whitmore Village, Poamoho) and a concerned individual testified in support of this measure. The SPO, State Ethics Commission, and DBEDT offered comments.

Your Committee finds that:

(1) Since fundraising is not addressed by the Procurement Code, SPO did not review DBEDT's solicitation and expenditure of sponsorship funds; and

SCR32 HD1 HSCR LMG HMS 2006-3620

(2) The deposit of solicited sponsorship funds with a fiduciary agent for securing goods and services is also not subject to the Procurement Code.

Accordingly, legislation would be required before subjecting fundraising activities and external accounts to the Procurement Code.

Your Committee has amended this measure by:

- (1) Deleting references to the State Procurement Office;
- (2) Changing the title to read: "REQUESTING THE STATE ETHICS COMMISSION TO REVIEW POSSIBLE ETHICS VIOLATIONS COMMITTED BY THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 32, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 32, S.D. 1, H.D. 1.

Respectfully submitted on behalf of the members of the Committee on Legislative Management,

State of Hawaii House of Representatives The Twenty-third Legislature

HSCR 1845-06

Record of Votes of the Committee on Legislative Management

Bill/Resolution No.:	Date:				
SCR 32 SD1	4	4/21/2006			
Committee Referral: LMG	☐ The comprevious	☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended	P	Pass, with amendments			
□ Hold	□ R	ecommit			
LMG Members	Ayes	Ayes (WR)	Nays	Excused	
1. MAGAOAY, Michael Y. (C)					
2. YAMANE, Ryan I. (VC)					
3. OSHIRO, Blake K.					
4. TAKAI, K. Mark			•		
5. HALFORD, Chris				7	
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TOTAL	3		1	1	
The recommendation is:					
The recommendation is.				·	
□ Not Adopted					
If joint referral, did not support recommendation.					
committee acronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office					