



HAWAI‘I STATE ETHICS COMMISSION

State of Hawai‘i · Bishop Square, 1001 Bishop Street, ASB Tower 970 · Honolulu, Hawai‘i 96813

Committees: Committee on Government Operations
 Committee on Labor, Culture and the Arts

Bill Number: S.C.R. 87 / S.R. 53

Hearing Date/Time: March 10, 2020, 2:45 p.m.

Re: Testimony of the Hawai‘i State Ethics Commission in **SUPPORT**
 of S.C.R. 87 / S.R. 53, Requesting State Legislators to Utilize Uniform
 Procedures for the Custody, Inventory, and Care of Protocol Gifts
 Received on Behalf of the State or Either House of the Legislature.

Dear Chair Thielen, Vice Chair Inouye, and Members of the Committee on Government Operations, and Chair Taniguchi, Vice Chair Ihara, and Members of the Committee on Labor, Culture and the Arts,

The Hawai‘i State Ethics Commission (“Commission”) supports S.C.R. 87 / S.R. 2597, which establishes procedures for the custody, inventory, and maintenance of protocol gifts to members of the Legislature.

The Commission strongly supports the establishment of a uniform system to catalog and maintain protocol gifts. The State Ethics Code, Hawai‘i Revised Statutes (“HRS”) chapter 84 – including the Gifts Law (HRS § 84-11) and the Fair Treatment Law (HRS § 84-13) – generally prohibits legislators from keeping tangible protocol gifts of more than nominal value for personal use. Whenever a legislator or employee receives a non-perishable¹ protocol gift of more than nominal value, the Commission typically advises that the item belongs to the State, not the receiving individual; accordingly, the Commission typically advises that the receiving individual need not report the item on her/his annual gifts disclosure statement. As such, this bill is generally consistent with long-standing Commission guidance.

The Committees may wish to consider expanding this Resolution to cover protocol gifts received by all state employees, rather than just members of the Legislature. Furthermore, the Committees may wish to consult with the Office of the Governor and/or the President of the University of Hawai‘i as to how those offices track such protocol gifts.

¹ When a legislator or employee receives a perishable gift of more than nominal value, the Commission will consider the source of the gift, the value of the gift, and the state purpose (if any) in receiving the gift, to determine whether the gift may be accepted. In those instances where the gifts cannot be accepted, the Commission may recommend that the gift be returned or donated to a non-profit organization. See “The State Ethics Code – A Quick Guide on Gifts,” available at <http://ethics.hawaii.gov/category/legalresources/quick-guides/>.

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Thank you for your continuing support of the Commission's work and for considering the Commission's testimony on S.C.R. 87 / S.R. 53

Very truly yours,

Daniel Gluck
Executive Director and General Counsel

DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
COMPTROLLER

AUDREY HIDANO
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
CURT T. OTAGURO, STATE COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEES ON GOVERNMENT OPERATIONS
AND
LABOR, CULTURE AND THE ARTS

THURSDAY, MARCH 12, 2020, 2:45 P.M.
CONFERENCE ROOM 225, STATE CAPITOL

S.C.R. 87/S.R. 53

REQUESTING STATE LEGISLATORS TO UTILIZE UNIFORM PROCEDURES FOR THE CUSTODY, INVENTORY, AND CARE OF PROTOCOL GIFTS RECEIVED ON BEHALF OF THE STATE OR EITHER HOUSE OF THE LEGISLATURE.

Chairs Thielen and Taniguchi, Vice Chairs Inouye and Ihara, and Members of the Committees, thank you for the opportunity to testify on S.C.R. 87/S.R. 53.

The Department of Accounting and General Services (DAGS) supports S.C.R. 87/S.R. 53 and offers the following comments: DAGS supports S.C.R. 87/S.R. 53. and offers the following comments:

1. The Department of Accounting and General Services (DAGS) has a vested interest in this resolution due to the fact that as foreign delegations and distinguished guests call upon the State Capitol, the Hawaii State Archives is increasingly being asked by the Legislature and the Governor's Office to set up displays of impressive historical records and artifacts – such as for the visit in January by the Fukuoka Sister City Delegation. Accordingly, protocol gifts received by the State through Legislators or high-ranking

members of the Executive Branch are of immense historical interest to the State Archives and People of Hawaii.

2. Based on the above referenced experiences, DAGS feels very strongly that the protocol gifts received by the State from visiting dignitaries have continued value and interest to the People of Hawaii and the State long beyond the initial gifting. When preserved and made accessible, these gifts can be used during future visits to illustrate the long and storied history between the People of Hawaii and those of the visiting dignitary. As such, it is in the State's best interest to ensure that such protocol gifts are held in the Public Trust by the State Archives, to ensure their preservation and ongoing accessibility.