



HAWAI‘I STATE ETHICS COMMISSION

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

Committee: Senate Committee on Government Operations
Bill Number: S.B. 1557
Hearing Date/Time: February 14, 2023, 3:10 p.m.
Re: Testimony of the Hawai‘i State Ethics Commission **SUPPORTING IN PART AND OPPOSING IN PART** S.B. 1557, Relating to Gifts

Aloha Chair McKevey, Vice Chair Gabbard, and Committee Members:

The Hawai‘i State Ethics Commission (“Commission”) supports the intent of S.B. 1557, which establishes procedures for the custody, inventory, and maintenance of protocol gifts to members of the Legislature and state employees, but opposes subsection (d)(4), which allows the personal use of state protocol gifts.

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-perishable 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, parts of this bill are generally consistent with long-standing Commission guidance.

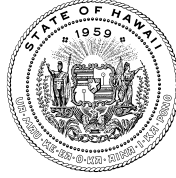
However, the Commission opposes subsection (d)(4), which allows legislators and employees to “convert custody of the protocol gift to a personal loan” until the passing of the original protocol gift recipient. This would essentially allow the personal use of state property for potentially long periods of time. The Commission opposes the personal use of state property and respectfully recommends that this portion of S.B. 1557 be removed.

Mahalo for your continuing support of the Commission’s work and for considering its testimony on S.B. 1557.

Very truly yours,

/S/ Robert D. Harris
Executive Director and General Counsel

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

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DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWÉ LAULĀ
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WRITTEN TESTIMONY
OF
KEITH A. REGAN, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
COMMITTEE ON GOVERNMENT OPERATIONS

S. B. 1557

FEBRUARY 14, 2023, 3:10 PM
CONFERENCE ROOM 225 AND VIA VIDEOCONFERENCE, STATE CAPITOL
RELATING TO GIFTS.

Chair McKelvey, Vice Chair Gabbard, and Members of the Committee, thank you the opportunity to testify in support of S.B. 1557 with the following comments.

1. Gifts received from visiting dignitaries have political, cultural, and historic value that may not be reflected in their monetary worth. A paper certificate, while being 'valued' at a few dollars, has immense value as a representation of the relationship that has been forged between the gifting party and the State. As such, it needs to be tracked, protected, and preserved so that the next time a delegation from the same group visits, these former protocol gifts can be prominently displayed to illustrate the long and storied history between the visitors and the State.
2. It is important to stress that protocol gifts have a very narrow definition and are very infrequently received. This bill should not prove to be an onerous, time-

consuming process as it only applies to non-perishable gifts of any value received from high-ranking/executive level representatives of Federal or other State Agencies, foreign governments, non-profits, or social organizations.

3. Currently, the treatment of protocol gifts is not established under state law. When the original recipients of the protocol gifts separate from State service, without a clearly defined and maintained list of protocol gifts received, an irretrievable loss of the protocol gifts can occur thereby negatively affecting the State's ability to showcase the history of interaction between the State and original gifting party.
4. There has recently been much negative press about the tracking of protocol gifts at the Federal level, with articles and photos of Executive Branch staff at the highest levels taking home protocols gifts received during the last change of administration and these same gifts being retrieved from personal homes or subsequently being listed as 'missing'. The interest nationally illustrates the importance of ensuring these important gifts stay accessible to the People.
5. Important protocol gifts received by any State employee, regardless of branch or rank, from officials, federal officers, state officials from other states, or other representatives of organizations should be treated as a valued asset of the State, available for continued public inspection, and available for display in the future when individuals from the original gifting party return to visit Hawaii.
6. As the Keepers of Public Memory, the State Archives is well suited to track, preserve and make these protocol gifts available as needed for either public viewing or for State use when receiving returning delegations. As such, the State

Archives is a viable option to maintain and preserve protocol gifts when the gift recipient leaves his position.

Thank you for the opportunity to submit testimony on this matter