

STAND. COM. REP. NO. 718

Honolulu, Hawaii

MAR 03 2017

RE: S.B. No. 631  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred  
S.B. No. 631 entitled:

"A BILL FOR AN ACT RELATING TO ETHICS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Exempt gifts received by an elected or appointed official on behalf of the State from the gift reporting requirements under the Code of Ethics; and
- (2) Require the gift to be publicly recorded as property of the State and allow the gift to remain with the official's agency or be transferred to the State Archives or State Foundation on Culture and the Arts at the end of the official's term.

Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Hawaii State Ethics Commission.

Your Committee finds that elected or appointed officials will periodically accept gifts, such as a piece of artwork given by a foreign dignitary, on the State's behalf. Although existing law does not require such gifts to be reported, this measure explicitly exempts gifts accepted by an elected or appointed



official from the gift reporting laws and requires those gifts to remain as the State's property upon the expiration of the elected or appointed official's term.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Hawaii State Ethics Commission that clarifies that a gift subject to this measure must be a gift received by an elected or appointed official on behalf of the State that is tangible and nonperishable;
- (2) Clarifying that the option to retain or transfer the gift applies to state agencies;
- (3) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (4) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 631, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 631, S.D. 1, and be placed on the calendar for Third Reading.

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

  
GILBERT S.C. KEITH-AGARAN, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Judiciary and Labor**  
**JDL**

Bill / Resolution No.:* <b>SB 631</b>	Committee Referral: <b>JDL</b>	Date: <b>2/27/17</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	✓			
RHOADS, Karl (VC)	✓			
GABBARD, Mike	✓			
KIM, Donna Mercado	✓			
THIELEN, Laura H.	✓			
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Karl Rhoads</i>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes