

Statement Before The  
**HOUSE COMMITTEE ON GOVERNMENT REFORM**  
Wednesday, February 3, 2021  
8:30 AM  
Via Video Conference, Conference Room 309

in consideration of  
**HB 645**  
**RELATING TO THE CAMPAIGN FINANCE.**

Chair McKELVEY, Vice Chair WILDBERGER, and Members of the Government Reform Committee

Common Cause Hawaii provides written comments on HB 645, which exempts expenditures for meals or beverages with a total value of under \$25 from reporting requirements when provided to a public official at an informational meeting or presentation or goodwill event with non-lobbyists.

Common Cause Hawaii is a nonprofit, nonpartisan, grassroots organization dedicated to reforming government and strengthening democracy through ethics, accountability, and transparency reforms.

Common Cause Hawaii calls attention to Hawaii Revised Statutes (HRS) § 84-11.5(a)(1) which provides in relevant part that every legislator and employee shall annually file a disclosure with the State Ethics Commission disclosing the legislator or employee, or spouse or dependent child of a legislator or employee's receipt "directly or indirectly from one source any gift or gifts valued singly or in the aggregate in excess of \$200, whether the gift is in the form of money, service, goods, or in any other form". It stands to reason that any individual \$25 goodwill meal or beverage would be exempt from reporting but an aggregate amount of goodwill meals or beverages over \$200 in one year from one source should still not be exempt under HRS § 84-11.5(a)(1) regardless of HB 645.

Thank you for the opportunity to comment on HB 645 and seek clarification. If you have further questions of me, please contact me at [sma@commoncause.org](mailto:sma@commoncause.org).

Very respectfully yours,

Sandy Ma  
Executive Director, Common Cause Hawaii



## HAWAI'I STATE ETHICS COMMISSION

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

Committee: Committee on Government Reform  
Bill Number: H.B. 645  
Hearing Date/Time: Wednesday, February 3, 2021, 8:30 a.m.  
Re: Testimony of the Hawai'i State Ethics Commission  
in **OPPOSITION** to H.B. 645, Relating to Gift Reporting

Chair McKelvey, Vice Chair Wildberger, and Committee Members:

The Hawai'i State Ethics Commission ("Commission") opposes H.B. 645, which would amend the Gifts Reporting law, because it is unnecessary and because it could be read to exempt the disclosure of voluminous gifts received by state officials.

1. The Gifts Reporting law already excludes gifts of under \$25 from reporting requirements.

H.B. 645 is unnecessary: the Gifts Reporting law, Hawai'i Revised Statutes ("HRS") § 84-11.5,<sup>1</sup> already provides that state officials must only report gifts of over \$200 (singly or in the aggregate) from a single source. In other words, if a state official receives one acceptable gift of \$25, the law is already clear that such a gift need not be reported.<sup>2</sup> As such, to the extent H.B. 645 is intended to exclude reporting of a single \$25 meal, this measure does not change the relevant reporting requirements of HRS § 84-11.5 and is therefore unnecessary.

<sup>1</sup> The Gifts Reporting law, HRS § 84-11.5(a), provides:

(a) Every legislator and employee shall file a gifts disclosure statement with the state ethics commission no later than June 30 of each year if all the following conditions are met:

(1) The legislator or employee, or spouse or dependent child of a legislator or employee, received directly or indirectly from one source any gift or gifts valued singly or in the aggregate in excess of \$200, whether the gift is in the form of money, service, goods, or in any other form;

(2) The source of the gift or gifts have interests that may be affected by official action or lack of action by the legislator or employee; and

(3) The gift is not exempted by subsection (d) from reporting requirements under this subsection.

<sup>2</sup> As discussed more fully below, however, a state official would have to report these gifts if the official received multiple gifts that, in the aggregate, exceeded \$200.

2. This measure could be read to allow state officials to avoid reporting gifts of over \$200 from a single source so long as those gifts are received in \$25 increments.

The Gifts Reporting law requires all legislators and employees to file a gift disclosure statement annually if the legislator or employee has received “from one source any gift or gifts valued singly or in the aggregate in excess of \$200” and the source of the gift has interests that may be affected by official action by the legislator or employee. (Emphasis added.)

The Commission opposes H.B. 645 because it may be read to exempt disclosure of voluminous gifts received from a single source. For instance, if a state legislator or employee accepted fifteen separate lunches valued at \$20 from a single source with business before the legislature or the employee’s state agency, the Gifts Reporting law would currently require the reporting of all of the lunches (because the legislator or employee would have received over \$200 from a single source). However, H.B. 645 could be read to exclude reporting of any of the lunches if they were received during informational meetings and the person offering them was not required to register as a lobbyist. The Commission believes that in the limited cases where a legislator or employee receives over \$200 in gifts from a single source, those gifts should be reported.

Finally, the Commission notes that exempting gifts under \$25 from the disclosure requirement of HRS § 84-11.5 would not make the gifts themselves acceptable in the first place. The Gifts law, HRS § 84-11,<sup>3</sup> and Hawai‘i Administrative Rules (“HAR”) Title 21 chapter 7 govern whether state officials may accept gifts; those requirements are independent of the Gifts Reporting law. H.B. 645 would not allow legislators or other state officials to accept gifts that are otherwise prohibited by HRS § 84-11 or HAR chapter 21-7; it would only affect the reporting requirements of HRS § 84-11.5.

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<sup>3</sup>The Gifts law, HRS § 84-11, provides:

No legislator or employee shall solicit, accept, or receive, directly or indirectly, any gift, whether in the form of money, service, loan, travel, entertainment, hospitality, thing, or promise, or in any other form, under circumstances in which it can reasonably be inferred that the gift is intended to influence the legislator or employee in the performance of the legislator’s or employee’s official duties or is intended as a reward for any official action on the legislator’s or employee’s part.

Hawai'i State Ethics Commission  
Testimony on H.B. 645 (Opposition)  
February 3, 2021  
Page 3

Thank you for your continuing support of the Commission's work and for considering the Commission's testimony on H.B. 645.

Very truly yours,

Kee Campbell  
Staff Attorney