

STAND. COM. REP. NO. 494

Honolulu, Hawaii

FEB 17 2023

RE: S.B. No. 1557
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 1557 entitled:

"A BILL FOR AN ACT RELATING TO GIFTS,"

begs leave to report as follows:

The purpose and intent of this measure is to establish procedures for the custody, inventory, and care of protocol gifts received by members of either house of the Legislature or state employees.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission and Department of Accounting and General Services.

Your Committee finds that gifts received from visiting dignitaries have political, cultural, and historic value. A paper certificate 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. Further, your Committee finds that there are no existing statutory provisions for the treatment of protocol gifts. Therefore, when the original recipient of the protocol gift separates from state service, without a clearly defined and



maintained list of gifts received, an irretrievable loss can occur thereby negatively affecting the State's ability to showcase the history of interaction between the State and the original gifting party.

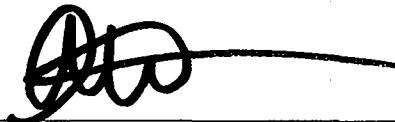
Your Committee has heard the testimony of the Hawaii State Ethics Commission expressing concerns that the loan of protocol gifts to an individual after leaving office could foster ethical inconsistencies as it would essentially allow the personal use of state property for potentially long periods of time. Your Committee appreciates that an individual might have nurtured a relationship with the gifting party and that such actions were done in their official capacity on behalf of the State and not as an individual. Therefore, the protocol gifts should not be retained by the individual for private use upon termination of service with the State.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that converted custody of a protocol gift to a personal loan;
- (2) Inserting an effective date of July 1, 2112, to encourage further discussion; and
- (3) 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 Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1557, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Government
Operations,



ANGUS L.K. MCKELVEY, Chair



