



EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

July 10, 2006

**GOV. MSG. NO. 822**

The Honorable Robert Bunda, President  
and Members of the Senate  
Twenty-Third State Legislature  
State Capitol, Room 003  
Honolulu, Hawaii 96813

Dear Mr. President and Members of the Senate:

This is to inform you that on July 10, 2006, the following bill was signed into law:

HB3036 HD1 SD2 CD1

A BILL FOR AN ACT RELATING TO CONTRACTS.  
(ACT 291)

Sincerely,

A handwritten signature in black ink, appearing to read "L. Lingle".

LINDA LINGLE

HOUSE OF REPRESENTATIVES  
TWENTY-THIRD LEGISLATURE, 2006  
STATE OF HAWAII

**H.B. NO.** 3036  
H.D. 1  
S.D. 2  
C.D. 1

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## A BILL FOR AN ACT

RELATING TO CONTRACTS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that this Act is  
2 necessary to address a problem within the building industry.  
3 Materialmen and subcontractors often are at the mercy of general  
4 contractors when seeking payment due them upon completion of  
5 their work or providing materials for a government project.  
6 This problem is particularly serious for materialmen and  
7 subcontractors who are involved at the beginning of a project,  
8 where their work is completed or materials are furnished long  
9 before final completion of the project. In many instances,  
10 subcontractors must wait many months, even years, before  
11 receiving full payment for their completed work. Often, the  
12 subcontractors are small, family-owned and run businesses that  
13 lack financial resources to withstand a long delay in receiving  
14 payments owed to them for work completed. The legislature finds  
15 that there is a need to provide materialmen and subcontractors  
16 with the right to payment upon furnishing of materials or  
17 completion of their work in government projects.



1           after the receipt of the written unilateral  
2           change order. Failure to file a protest within  
3           the time specified shall constitute agreement on  
4           the part of the contractor with the terms,  
5           conditions, amounts, and adjustment or  
6           nonadjustment of the contract time or the  
7           contract price set forth in the unilateral change  
8           order.

9           A contractor shall be required to submit cost or pricing  
10          data if any adjustment in contract price is subject to the  
11          provisions of section 103D-312. A fully executed change order  
12          or other document permitting billing for the adjustment in price  
13          under any method listed in paragraphs (1) through (4) shall be  
14          issued within ten days after agreement on the method of  
15          adjustment."

16          SECTION 5. Statutory material to be repealed is bracketed  
17          and stricken. New statutory material is underscored.

18          SECTION 6. This Act shall take effect on July 1, 2007.



H.B. NO. 3036  
H.D. 1  
S.D. 2  
C.D. 1

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APPROVED this 10 day of JUL 2006



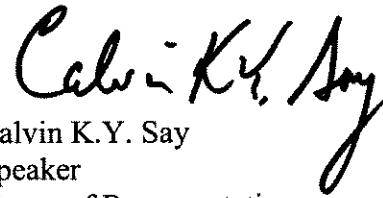
GOVERNOR OF THE STATE OF HAWAII

HB No. 3036 HD 1 SD 2 CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 4, 2006  
Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Final Reading in the House of Representatives of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.



Calvin K.Y. Say  
Speaker  
House of Representatives



Patricia Mau-Shimizu  
Chief Clerk  
House of Representatives

THE SENATE OF THE STATE OF HAWAII

Date: May 4, 2006  
Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Final Reading in the Senate of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.



Robert Bunda  
President of the Senate



Paul Kawaguchi  
Clerk of the Senate