
A BILL FOR AN ACT

RELATING TO PUBLIC CONTRACTS.

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

1 SECTION 1. Section 103-10, Hawaii Revised Statutes, is
2 amended by amending the title and subsection (a) to read as
3 follows:
4 "~~§103-10~~ [Payment] Prompt payment for goods and
5 services ~~[-]~~; penalties. (a) Any person who renders a proper
6 statement for goods delivered or services performed, pursuant to
7 contract, to any agency of the State or any county, shall be
8 paid no later than thirty calendar days following receipt of the
9 statement or satisfactory delivery of the goods or performance
10 of the services. In the event circumstances prevent the paying
11 agency from complying with this section, the person shall be
12 entitled to either interest from the paying agency on the
13 principal amount remaining unpaid at a rate equal to the prime
14 rate for each calendar quarter plus ~~[two]~~ ___ per cent ~~[-]~~ or to
15 a payment in the form of a penalty assessed against the paying
16 agency in the amount of \$ _____, commencing on the thirtieth day
17 following receipt of the statement or satisfactory delivery of
18 the goods or performance of the services, whichever is later,



1 and ending on the date of the check. As used in this
 2 subsection, "prime rate" means the prime rate as posted in the
 3 Wall Street Journal on the first business day of the month
 4 preceding the calendar quarter."

5 SECTION 2. This Act does not affect rights and duties that
 6 matured, penalties that were incurred, and proceedings that were
 7 begun, before its effective date.

8 SECTION 3. Statutory material to be repealed is bracketed
 9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect on approval,
 11 provided that it shall apply to public contracts entered into on
 12 or after July 1, 2006.

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JAN 24 2006



Report Title:

State Contracts; Prompt Payment; Penalties

HB 2557

Description:

Requires prompt payment for goods and services provided under contracts with the State; failure to make prompt payment shall result in a penalty payable to the individual in the amount of a certain percentage rate or a specified penalty amount.

