

STAND. COM. REP. NO. **2103**

Honolulu, Hawaii

**Feb. 15**, 2006

RE: S.B. No. 2997

Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committees on Transportation and Government Operations and Media, Arts, Science, and Technology, to which was referred S.B. No. 2997 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

beg leave to report as follows:

The purpose of this measure is to exempt the High Technology Development Corporation (HTDC) from the procurement code.

Your Committees received testimony in support of this measure from HTDC and High Technology Innovation Corporation. Testimony in opposition was received from the Department of Accounting and General Services and State Procurement Office.

Act 216, Session Laws of Hawaii 2004, repealed the procurement code exemptions for the High Technology Development Corporation in sections 206M-3, Hawaii Revised Statutes, relating to general powers of the corporation, and section 206M-42, Hawaii Revised Statutes, relating to special facility leases. However, Act 216 did not amend section 206M-16(b), Hawaii Revised Statutes, which provides an exemption for project agreements, construction contracts, lease and sublease agreements, or other contracts, unless a project agreement otherwise requires.

The Attorney General recommended, in testimony on October 24, 2005 before the Joint Legislative Procurement Task Force, that sections 206M-3 and 206M-42, Hawaii Revised Statutes, be amended to restore the exemptions that were repealed by Act 216 if the

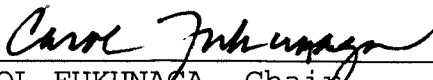



intent of the legislature is to confer a broad procurement exemption on the corporation.

Your Committees find that the one current exemption under section 206M-16(b), Hawaii Revised Statutes, is too specific to be read as a broad exemption and therefore this exemption is appropriate.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2997 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Transportation and Government Operations and Media, Arts, Science, and Technology,

  
CAROL FUKUNAGA, Chair

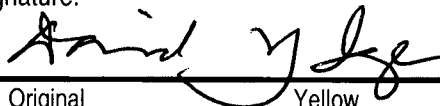
  
LORRAINE R. INOUE, Chair





The Senate  
Twenty-Third Legislature  
State of Hawaii

Record of Votes of the  
Committee on Media, Arts, Science and Technology  
(Bills and Resolutions)

Measure:* <b>SB 2997</b>	Committee Referral: <b>TGO/MAT, WAM</b>	Date: <b>2/14/2006</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 to: <input checked="" type="checkbox"/> Pass, unamended (2312) <input type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
FUKUNAGA, Carol (C)	✓			
IGE, David Y. (VC)	✓			
ENGLISH, J. Kalani				✓
IHARA, Jr., Les				✓
HOGUE, Bob	✓			
TOTAL	<b>3</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:             Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Do not list more than one measure per Record of Votes.