



GOV. MSG. NO. **1017**

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

July 3, 2007

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on July 3, 2007, the following bill was signed into law:

SB17 SD2 HD2 CD1

A BILL FOR AN ACT RELATING TO
PROCUREMENT.
(ACT 246)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle", written in a cursive style.

LINDA LINGLE

A BILL FOR AN ACT

RELATING TO PROCUREMENT.

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

1 SECTION 1. The purpose of this Act is to:

2 (1) Prohibit certain types of provisions in governmental
3 procurement contracts entered into on or after July 1,
4 2007, that require contractors to defend the
5 governmental body;

6 (2) Allow the contracts to require an individual licensed
7 pursuant to chapter 464, Hawaii Revised Statutes,
8 indemnify and hold harmless the governmental body; and

9 (3) Bar enforcement of certain provisions of existing
10 contracts.

11 SECTION 2. Chapter 103D, Hawaii Revised Statutes, is
12 amended by adding a new section to be appropriately designated
13 and to read as follows:

14 "§103D- Defense of a governmental body. (a) No
15 contract of less than \$1,000,000 that is entered into on or
16 after July 1, 2007, by any governmental body, and is exclusively
17 for services that may only lawfully be provided by a person



1 licensed under chapter 464, may require the contractor to defend
2 the governmental body, or its officers, employees, or agents,
3 from any liability, damage, loss, or claim, action, or
4 proceeding arising out of the contractor's performance under the
5 contract.

6 (b) Subsection (a) notwithstanding, the contract may
7 require the contractor providing the services to indemnify and
8 hold harmless the governmental body and its officers, employees,
9 and agents from and against any liability, damage, loss, cost,
10 and expense, including reasonable attorneys' fees, and all
11 claims, suits, and demands therefor arising out of or resulting
12 from the negligent, reckless, intentional, or wrongful acts,
13 errors, or omissions of the contractor, the contractor's
14 employees, officers, agents, or subcontractors in the
15 performance of the contract or the contractor's professional
16 services, and the provisions may remain in full force and effect
17 notwithstanding the expiration or early termination of the
18 contract.

19 (c) No person licensed under chapter 464 that has agreed
20 in any contract to defend a governmental body, including those
21 contracts entered into before or after July 1, 2007, shall be
22 required to defend the governmental body in a lawsuit filed more



1 than ten years beyond the substantial completion of the project,
2 except that this subsection shall not apply to any lawsuit that
3 has been filed prior to July 1, 2007.

4 (d) As used in this section, "person" means any person,
5 partnership, corporation, or other entity conducting business in
6 the State."

7 SECTION 3. Except as provided in subsection (c) of the new
8 section added to chapter 103D, Hawaii Revised Statutes, under
9 section 2 of this Act, this Act does not affect rights and
10 duties that matured, penalties that were incurred, and
11 proceedings that were begun, before its effective date.

12 SECTION 4. If any provision of this Act, or the
13 application thereof to any person or circumstance is held
14 invalid, the invalidity does not affect other provisions or
15 applications of the Act, which can be given effect without the
16 invalid provision or application, and to this end the provisions
17 of this Act are severable.

18 SECTION 5. In the event any provision in this Act is held
19 illegal or unconstitutional, including as violative of article
20 I, section 5 of the Hawaii Constitution, such provision shall be
21 void and of no effect, but under no circumstances shall such



1 provision, by operation of law, be deemed to extend protections
2 to any other class or group of persons.

3 SECTION 6. New statutory material is underscored.

4 SECTION 7. This Act shall take effect upon its approval.



GOVERNOR OF THE STATE OF HAWAII

Approved this day: JUL 3 2007

