

STAND. COM. REP. NO.

1411

Honolulu, Hawaii

March 23, 2007

RE: S.B. No. 1929
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns,
to which was referred S.B. No. 1929, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC PROCUREMENT,"

begs leave to report as follows:

The purpose of this bill is to improve enforcement of the
procurement code by:

- (1) Removing language making violation of the code a
misdemeanor;
- (2) Allowing the Procurement Policy Board (Board) to set
administrative fines by rule; and
- (3) Authorizing the Chief Procurement Officer to impose the
administrative fines.

The State Procurement Office supported this bill. The
Department of Business, Economic Development, and Tourism provided
comments.

This bill would give chief procurement officers of the State
and counties, the ability to impose a fine in cases where the
procurement code violation is not merely due to error, lack of
knowledge, or simple carelessness.

SB1929 HD1 HSCR EDB HMS 2007-3226



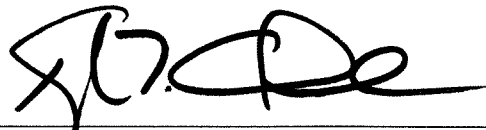
1411

Your Committee has amended this bill by:

- (1) Delaying the effective date of the repeal of the misdemeanor penalty, and of the authorization to impose fines, to July 1, 2008;
- (2) Requiring the Board to develop proposed rules to establish the fines, and to submit the rules and any proposed legislation to the 2008 Legislature;
- (3) Changing the effective date to July 1, 2034, to encourage further discussion of the bill; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1929, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1929, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business
Concerns,



KYLE T. YAMASHITA, Chair



