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## A BILL FOR AN ACT

RELATING TO SURETY BONDING.

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

1           SECTION 1. The legislature finds that while Hawaii is able  
2 to capitalize on federal spending to bolster its economy, one  
3 area where Hawaii could reap further benefits from federal  
4 spending is defense contracting. By its nature, defense  
5 contracting deals with aspects of high technology, engineering,  
6 and cutting edge research and development, areas that the State  
7 has been trying to diversify into over the years.

8           The legislature further finds that one of the largest  
9 barriers for local small businesses to become more competitive  
10 in bidding for and acquiring federal defense contracts is the  
11 acquisition of bonding or liability insurance, or both.  
12 Providing small contractors with the technical expertise and  
13 training to acquire bonds and liability insurance will help the  
14 state by providing these businesses with the means to employ  
15 highly trained local employees, increase the participation of  
16 female and minority-owned small contractors in the procurement  
17 process, and further diversifying the economy and increasing the  
18 tax base.



1           SECTION 2. The department may establish a small and  
2 emerging contractor technical assistance program, whose purpose  
3 shall be to provide training and technical assistance to small  
4 contractors to improve their ability to secure surety bond  
5 guarantees, such as those offered by the federal Small Business  
6 Administration, and to acquire liability insurance. The program  
7 shall include training and technical assistance throughout the  
8 state, provided that such training and assistance shall be  
9 scheduled for locations that are reasonably accessible to people  
10 in all areas of the state, but are not required to be scheduled  
11 in each county of the state.

12           SECTION 3. The department shall conduct outreach efforts  
13 to inform small contractors about the program and recruit them  
14 to the training offered. In conducting outreach efforts, the  
15 department shall coordinate with existing outreach efforts,  
16 whether the existing outreach efforts are from the department or  
17 other state or county departments.

18           SECTION 4. For purposes of this Act:

19           "Program" means the small and emerging contractor technical  
20 assistance program.

21           "Small contractor" means a small business, as defined in  
22 chapter 103D-901, that is also a contractor doing business in



1 this state, and is licensed by the Department of Commerce and  
2 Consumer Affairs.

3 SECTION 5. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$ or so much  
5 thereof as may be necessary for fiscal year 2010-2011 for the  
6 purpose of implementing the small and emerging contractor  
7 technical assistance program.

8 The sum appropriated shall be expended by the department of  
9 business, economic development, and tourism for the purposes of  
10 this Act.

11 SECTION 6. This Act shall take effect upon its approval,  
12 provided that section 5 of this Act shall take effect on July 1,  
13 2010.

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INTRODUCED BY:

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*Richard Carroll for Rank*

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**Report Title:**

Surety bonding assistance; small and emerging contractors

**Description:**

Provides assistance in securing surety bonding and guarantees to small and emerging contractors who bid on and win federal contracts in Hawaii.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

