
A BILL FOR AN ACT

RELATING TO COST SHARING IN THE RELOCATION AND UNDERGROUNDING OF
UTILITY FACILITIES.

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

1 SECTION 1. Section 103D-309, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "**§103D-309 Contract not binding unless funds available.**
4 (a) Contracts awarded pursuant to section 103D-302, 103D-303,
5 or 103D-306, shall neither be binding nor have any force and
6 effect of law unless the comptroller, the director of finance of
7 a county, or the respective chief financial officers of the
8 department of education, the judiciary, or the legislative
9 branches of the State or county, as the case may be, endorses
10 thereon a certificate that there is an appropriation or balance
11 of an appropriation over and above all outstanding contracts,
12 sufficient to cover the amount required by the contract;
13 provided that if the contract is a multi-term contract, the
14 comptroller, director of finance, or chief financial officer
15 shall only be required to certify that there is an appropriation
16 or balance of an appropriation over and above all outstanding
17 contracts, that is sufficient to cover the amount required to be



1 paid under the contract during the fiscal year or remaining
2 portion of the fiscal year of each term of the multi-year
3 contract; provided further that the administrator of the state
4 procurement office shall attest in writing to any recommendation
5 or solicitations. This section shall not apply to any contract
6 under which the total amount to be paid to the contractor cannot
7 be accurately estimated at the time the contract is to be
8 awarded, or to any contract for which consideration is in kind
9 or forbearance, or to any contract awarded pursuant to section
10 103D-306 that is a one-time payment through a purchase order.

11 (b) In any contract involving not only state or county
12 funds but supplemental funds from the federal government, this
13 section shall be applicable only to that portion of the contract
14 price as is payable out of state or county funds. As to the
15 portion of the contract price as is expressed in the contract to
16 be payable out of federal funds, the contract shall be construed
17 to be an agreement to pay the portion to the contractor, only
18 out of federal funds to be received from the federal government.
19 This subsection shall be liberally construed so as not to hinder
20 or impede the State in contracting for any project involving
21 financial aid from the federal government.



1 (c) In any contract involving state or county funds and
2 supplemental funds from utility entities, including those
3 regulated by the public utilities commission and county water
4 and county sewer agencies, this section shall be applicable to
5 that portion of the contract price as is payable out of state
6 and county funds and funds from utility entities. Utility
7 entities shall provide their share of the funds in a timely
8 manner to allow the comptroller, the director of finance of a
9 county, or the respective chief financial officers of the
10 department of education, the judiciary, or the legislative
11 branches of the state or county, as the case may be, to endorse
12 thereon a certificate that there is an appropriation or balance
13 of an appropriation and supplemental utility entity funds over
14 and above all outstanding contracts, sufficient to cover the
15 amount required by the contract.

16 Funds from utility entities, including those regulated by
17 the public utilities commission and county water and county
18 sewer agencies, may be exempted from the requirements of this
19 section provided that a legal agreement that describes the
20 utility entity's share of cost and agreed-upon terms of payment
21 is executed between the utility entity and the affected state or
22 county agency; provided that any utility entity exercising an



1 exemption from this section by entering into a legal agreement
2 shall be responsible for any and all additional costs
3 attributable to its failure to pay or reimburse the affected
4 state or county agency, or its contractor in a timely manner as
5 required by section 103-10."

6 SECTION 2. New statutory material is underscored.

7 SECTION 3. This Act shall take effect on July 1, 2050.



Report Title:

Cost Sharing; Utility Entities

Description:

Requires utility entities to provide their share of the funds in a timely manner in any contract involving not only state or county funds, but supplemental funds from utility entities to ensure sufficient funds are available to cover the amount required by the contract. Effective July 1, 2050. (HB2603 HD2)

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