

STAND. COM. REP. NO.

2502

Honolulu, Hawaii

FEB 26 2010

RE: S.B. No. 2831
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Judiciary and Government Operations, to which was referred S.B. No. 2831 entitled:

"A BILL FOR AN ACT RELATING TO THE PROCUREMENT CODE,"

begs leave to report as follows:

The purpose of this measure is to make permanent the requirements for withholding payment to a subcontractor effectuated by Act 175, Session Laws of Hawaii 2009.

Testimony in support of this measure was submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that contract provisions relating to the retainage of amounts due between a contractor and subcontractor are significant to the construction industry and should be made permanent law. Your Committee also finds that it is essential to clarify that retention amounts can be withheld from a subcontractor on a public works project and clarify the conditions under which a procurement officer can withhold part or all of a subcontractor's payment request.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of accuracy in the statutory language.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached

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to this report, your Committee is in accord with the intent and purpose of S.B. No. 2831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2831, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Government Operations,



BRIAN T. TANIGUCHI, Chair



