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# A BILL FOR AN ACT

RELATING TO SMALL BUSINESS.

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

1           SECTION 1. The legislature finds that Hawaii compliance  
2 express is an electronic system that allows vendors doing  
3 business with state or county agencies to quickly and easily  
4 obtain proof that they are compliant with applicable laws.  
5 Hawaii compliance express expedites a vendor's ability to  
6 furnish proof of compliance with the requirements of section  
7 103D-310(c), Hawaii Revised Statutes, by providing an online  
8 "Certificate of Vendor Compliance" for the business entity.  
9 This single certificate eliminates the need to obtain individual  
10 hard copies of certificates from the Internal Revenue Service  
11 and department of taxation, department of labor and industrial  
12 relations, and department of commerce and consumer affairs. The  
13 service includes real-time monitoring of the vendor's status of  
14 compliance with each agency and automatically notifies the  
15 vendor by email any time the compliance status is changed.

16           The Hawaii compliance express was launched in September  
17 2005, and has grown from one hundred seventy-nine vendors the  
18 first year to 4,117 vendors through mid-December 2010. The



1 department of accounting and general services accounting  
2 division estimates that approximately seventy per cent of  
3 invoices processed for payment through their office use the  
4 Hawaii compliance express certificate, versus the three paper  
5 certificates. The minimal cost to a vendor to use the Hawaii  
6 compliance express is \$12 per year, a decrease from \$15 when the  
7 system was launched in 2005.

8 In 2010, the senate committee on economic development and  
9 technology and the house committee on economic revitalization,  
10 business, and military affairs convened an informal small  
11 business discussion group to address the most critical issues  
12 facing the small-business sectors within Hawaii's economy.  
13 Representatives from the Chamber of Commerce of Hawaii,  
14 construction and trades industries, community nonprofit  
15 organizations, the agricultural sector, food and restaurant  
16 industries, retailing, the science and technology sector, the  
17 commercial transportation industry, and interested stakeholders  
18 developed a package of bills that addresses the most pressing  
19 problems facing Hawaii's small-business community.

20 The purpose of this Act is to support the findings of the  
21 small business working group and its recommendations to extend  
22 the use of Hawaii compliance express for small-business vendors,



1 affording them the same savings of time and money in the  
2 contracting process.

3 SECTION 2. Section 103D-310, Hawaii Revised Statutes, is  
4 amended by amending subsection (c) to read as follows:

5 "(c) All offerors, upon award of contract, shall comply  
6 with all laws governing entities doing business in the State,  
7 including chapters 237, 383, 386, 392, and 393. Offerors shall  
8 produce documents to the procuring officer to demonstrate  
9 compliance with this subsection. Any offeror making a false  
10 affirmation or certification under this subsection shall be  
11 suspended from further offerings or awards pursuant to section  
12 103D-702. The procuring officer shall verify compliance with  
13 this subsection for all contracts awarded pursuant to sections  
14 103D-302, 103D-303, 103D-304, and 103D-306[+], and for  
15 procurements of \$2,500 or more awarded pursuant to section 103D-  
16 305; provided that the attorney general may waive the  
17 requirements of this subsection for contracts for legal services  
18 if the attorney general certifies in writing that comparable  
19 legal services are not available in this State."

20 SECTION 3. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.

22 SECTION 4. This Act shall take effect on October 1, 2011.



**Report Title:**

Procurement; Compliance; Small Business

**Description:**

Extends the use of Hawaii compliance express for small-business vendors for awards of \$2,500 or greater. Effective October 1, 2011. (SB758 HD2)

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

