

STAND. COM. REP. NO. **460**

Honolulu, Hawaii

FEB 23 2011

RE: S.B. No. 777
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 777 entitled:

"A BILL FOR AN ACT RELATING TO PAYMENT FOR GOODS AND SERVICES,"

begs leave to report as follows:

The purpose and intent of this measure is to require state and county agencies to pay for goods and services generally within fifteen days of the delivery of the goods or the performance of the service.

The measure also allows for payment with interest within forty-five days in case of exigent circumstances.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, the Hawaii Alliance of Nonprofit Organizations, Child and Family Services, Aloha United Way, the National Council of Nonprofits, Lanakila Pacific, Goodwill Industries of Hawaii, PATCH-People Attentive to Children, Providing Awareness Referrals Education Nursing Therapy School, James K. Mee, and Paul J. Buklarewicz.

Your Committee received testimony in opposition to this measure from the Department of Accounting and General Services, the Department of Education, the City and County of Honolulu, and the Department of Design and Construction of the City and County of Honolulu.

SB777 SD1 SSCR LRB 11-1685.doc



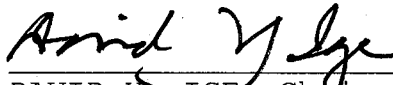
Your Committee received comments on the measure from Partners in Development Foundation.

Your Committee finds that late payments to nonprofit organizations by state and county agencies have been on the rise in recent years, and such late payments adversely impact the ability of nonprofit organizations in fulfilling their missions to benefit the community.

Your Committee has amended this measure by deleting its substantive contents and establishing a prompt payment task force comprised of representatives from state agencies, the Legislature, and nonprofit organizations, to study and resolve issues that prevent state agencies from making prompt payment for goods and services. The task force will be required to report its findings and recommendations and submit proposed legislation to the Legislature not later than twenty days prior to the convening of the 2012 Regular Session of the Legislature. The amended measure also requires the task force to participate in a joint information briefing regarding its report upon the request of the Legislature. In addition, your Committee has made technical, nonsubstantive amendments to the purpose section of the measure for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 777, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 777, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. ICE, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 777	Committee Referral: WAM	Date: 2-22-11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne	/			
DELA CRUZ, Donovan M.	/			
ENGLISH, J. Kalani				/
ESPERO, Will				/
FUKUNAGA, Carol	/			
KIM, Donna Mercado	/			
KAHELE, Gilbert	/			
KOUCHI, Ronald D.				/
RYAN, Pohai	/			
TOKUDA, Jill N.	/			
WAKAI, Glenn	/			
SLOM, Sam	/			
TOTAL	11	0	0	3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes