
A BILL FOR AN ACT

RELATING TO CONTRACTORS.

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

1 SECTION 1. Section 444-25, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "**§444-25 Payment for goods and services.** A contractor
4 shall pay the contractor's subcontractor for any goods and
5 services rendered within ten days after receipt of an invoice by
6 the subcontractor that includes any supporting documents as
7 required by the terms of the subcontract [~~and after receipt by~~
8 ~~the contractor of payment from the owner for the subcontractor's~~
9 ~~work, whichever occurs later]~~. The subcontractor shall be
10 entitled to receive interest on the unpaid amount at the rate of
11 [~~one and one half~~] 1.5 per cent per month from the date payment
12 is due; provided that this section shall not apply if the delay
13 in payment is due to a bona fide dispute between the contractor
14 and the subcontractor concerning the goods and services
15 contracted for.

16 If payment is contingent upon receipt of funds held in
17 escrow or trust, the contractor shall clearly state this fact in



1 the contractor's solicitation of bids. If the solicitation for
2 bids contains the statement that the time of payment is
3 contingent upon the receipt of funds held in escrow or trust and
4 a contract is awarded in response to the solicitation, interest
5 shall not begin to accrue upon any unpaid balance until after
6 the tenth day following receipt by the contractor of an invoice
7 by the subcontractor that includes any supporting documents as
8 required by the terms of the subcontract and receipt of the
9 escrow or trust funds, whichever occurs later; provided that
10 this section shall not apply if the delay in payment is due to a
11 bona fide dispute between the subcontractor and the contractor
12 concerning the goods and services contracted for.

13 This section shall not apply to chapter 103 or any section
14 affecting public contracts."

15 SECTION 2. This Act does not affect rights and duties that
16 matured, penalties that were incurred, and proceedings that were
17 begun before its effective date.

18 SECTION 3. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

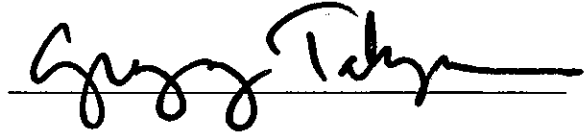


H.B. NO. 1232

1 SECTION 4. This Act shall take effect upon its approval.

2

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "George Takya", is written over a horizontal line.

JAN 28 2015



H.B. NO. 1232

Report Title:

Contractor Payment

Description:

Requires a contractor to pay a subcontractor within 10 days after receipt of an invoice by the subcontractor that includes any supporting documents pursuant to the subcontract terms.

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

