

Honolulu, Hawaii

February 12, 2015

RE: H.B. No. 1120

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Veterans, Military, & International Affairs, & Culture and the Arts, to which was referred H.B. No. 1120 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to provide a preference for veterans within the small business set aside of the State's annual purchasing expenditure.

Specifically, this measure requires that, of the twenty per cent goal to be awarded to small businesses:

- (1) At least twenty-five per cent shall be awarded to veteran-owned small businesses; and
- (2) At least a separate forty per cent shall be awarded to service-disabled veteran-owned small businesses.

Accordingly, if enacted, this measure would require that of the State's annual purchasing expenditures:

- (1) At least five per cent shall be awarded to veteran-owned small businesses; and
- (2) At least a separate eight per cent shall be awarded to service-disabled veteran-owned small businesses.



Your Committee received testimony in support of this measure from the Department of Defense, the Office of Veterans Services, and two concerned citizens. Testimony in opposition to this measure was received from the State Procurement Office. Comments on this measure were received from the General Contractors Association of Hawaii.

Your Committee finds that many Hawaii veterans return from their military service to start small businesses. A set aside for qualified veterans would be of great assistance and encourage veterans to either establish or continue operating their small businesses.

Your Committee requests that the Committee on Economic Development and Business, should it decide to hear this measure, carefully review the phrase "a veteran discharged under honorable conditions" and, if necessary, clarify the language to ensure it does not include "a veteran who was dishonorably discharged."

As affirmed by the record of votes of the members of your Committee on Veterans, Military, & International Affairs, & Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1120 and recommends that it pass Second Reading and be referred to the Committee on Economic Development & Business.

Respectfully submitted on
behalf of the members of the
Committee on Veterans,
Military, & International
Affairs, & Culture and the
Arts,



KEN ITO, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

H5CR 170

**Record of Votes of the Committee on Veterans, Military, International Affairs & Culture
and the Arts**

Bill/Resolution No.: HB 1120	Committee Referral: VMI, EPB, FIN	Date: 2/9/15		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
VMI Members	Ayes	Ayes (WR)	Nays	Excused
1. ITO, Ken (C)	✓			
2. TOKIOKA, James Kunane (VC)	✓			
3. BROWER, Tom	✓			
4. CACHOLA, Romy M.				✓
5. CHOY, Isaac W.	✓			
6. KAWAKAMI, Derek S.K.	✓			
7. KONG, Sam Satoru	✓			
8. OHNO, Takashi	✓ FT*	✓		
9. ONISHI, Richard H.K.	✓ K1*	✓		
10. TSUJI, Clift	✓			
11. WOODSON, Justin H.	✓			
12. MATSUMOTO, Lauren Kealohilani				✓
13. WARD, Gene	✓			
TOTAL (13)	9	2		2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small style="margin-left: 100px;">committee member(s)</small>				
Vice Chair's or designee's signature: _____ 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				