

Honolulu, Hawaii
MAR 21, 2024

RE: S.B. No. 2536
S.D. 1
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2536, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT PREFERENCES AND RECIPROCITY,"

begs leave to report as follows:

The purpose of this measure is to amend the Hawaii Public Procurement Code by:

- (1) Establishing a new accounting services procurement preference for certain Hawaii accounting service businesses; and
- (2) Clarifying that the existing reciprocity procurement preference includes offerors under the provisions governing competitive sealed bids and competitive sealed proposals.

Your Committee received testimony in support of this measure from Accuity LLP. Your Committee received testimony in opposition to this measure from the State Procurement Office.

Your Committee finds that there is growing concern in the State's accounting industry about a shortage of accountants due to



a decrease in the number of accounting graduates from the University of Hawaii. Another major concern is the lack of career opportunities for accounting graduates in Hawaii. The shortage of accountants could have significant implications for businesses and the economy as the demand for accounting services continues to grow. This measure, through a proposed procurement preference, is an opportunity for the State and county governments to provide the opportunities necessary to incentivize the local operation of accounting firms.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2536, S.D. 1, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,


MARK M. NAKASHIMA, Chair



