

STAND. COM. REP. NO.

1376

Honolulu, Hawaii

MAR 21, 2023

RE: S.B. No. 1135
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Labor & Government Operations, to which was referred S.B. No. 1135 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to require cash or protest bonds to be returned to the initiating parties, minus administrative costs, except in cases where the appeal was frivolous or made in bad faith.

Your Committee received testimony in support of this measure from S & M Sakamoto, Inc.; Ralph S. Inouye Co., Ltd.; Healy Tibbitts Builders, Inc.; General Contractors Association of Hawaii; Hawaii Operating Engineers Industry Stabilization Fund Political Action Committee; and Alan Shintani, Inc. Your Committee received testimony in opposition to this measure from the Department of Budget and Fiscal Services of the City and County of Honolulu.

Your Committee finds that allowing for the return of cash or protest bonds, unless the appeal is found to be frivolous or in bad faith, ensures a balance that deters frivolous appeals without also deterring legitimate appeals on large projects.

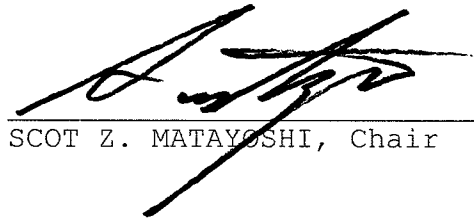
2023-2649 SB1135 HD1 HSCR HMSO



Your Committee has amended this measure by having twice the amount of the administrative costs incurred on appeal, as determined by the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs, deducted from the cash or protest bond returned to the initiating party, where the appeal is not found to be frivolous or made in bad faith.

As affirmed by the record of votes of the members of your Committee on Labor & Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1135, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1135, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Government
Operations,



SCOT Z. MATAYOSHI, Chair



