

JAN 23 2025

A BILL FOR AN ACT

RELATING TO RETAINAGE.

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

1 SECTION 1. Section 103-32.1, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) Any public contract may include a provision for the
4 retainage of a portion of the total project budget from the
5 amount due under the contract to the contractor to ensure the
6 proper performance of the contract; provided that:

7 (1) The sum withheld by the procurement officer from the
8 contractor shall not exceed [~~five~~] one per cent of the
9 total [~~amount due the contractor~~] project budget and
10 that, after fifty per cent of the contract is
11 completed and progress is satisfactory, no additional
12 sum shall be withheld; provided further that if
13 progress is not satisfactory, the procurement officer
14 may continue to withhold, as retainage, sums not
15 exceeding [~~five~~] one per cent of the [~~amount due the~~
16 ~~contractor; and~~] total project budget;



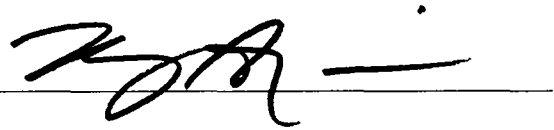
(2) The retainage shall not include sums deducted as liquidated damages from moneys due or that may become due the contractor under the contract[~~-~~]; and

(3) The sum withheld by the procurement officer from the contractor shall be paid to the contractor not more than days after one hundred per cent of the contract is completed and satisfactory; provided that the contract shall not be deemed completed until all certificates and inspections are also completed and satisfactory."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

INTRODUCED BY: _____



S.B. NO. 1587

Report Title:

Retainage Fees; Contractors; Public Contracts

Description:

Allows procurement officers to withhold a retainage fee of one per cent of the total budget from contractors to ensure satisfactory project completion. Requires the retainage fee to be paid to contractors within a certain number of days of project completion.

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

