STAND. COM. REP. NO. 1411

Honolulu, Hawaii

Manh 23, 2007

RE: S.B. No. 1929

S.D. 2 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns, to which was referred S.B. No. 1929, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC PROCUREMENT,"

begs leave to report as follows:

The purpose of this bill is to improve enforcement of the procurement code by:

- (1) Removing language making violation of the code a misdemeanor;
- (2) Allowing the Procurement Policy Board (Board) to set administrative fines by rule; and
- (3) Authorizing the Chief Procurement Officer to impose the administrative fines.

The State Procurement Office supported this bill. The Department of Business, Economic Development, and Tourism provided comments.

This bill would give chief procurement officers of the State and counties, the ability to impose a fine in cases where the procurement code violation is not merely due to error, lack of knowledge, or simple carelessness.

SB1929 HD1 HSCR EDB HMS 2007-3226



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Your Committee has amended this bill by:

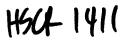
- (1) Delaying the effective date of the repeal of the misdemeanor penalty, and of the authorization to impose fines, to July 1, 2008;
- (2) Requiring the Board to develop proposed rules to establish the fines, and to submit the rules and any proposed legislation to the 2008 Legislature;
- (3) Changing the effective date to July 1, 2034, to encourage further discussion of the bill; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1929, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1929, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Economic Development & Business Concerns,

KYLE T. YAMASHITA, Chair

State of Hawaii House of Representatives The Twenty-fourth Legislature



Record of Votes of the Committee on Economic Development & Business Concerns

Bill/Resolution No.:	Date:				
SB 1929 SD2 (SSCR727)		March 19, 2007			
Committee Referral: EDB, FIN	The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended	Pass, with amendments				
☐ Hold	 Pass, with amendments, for recommittal for further consideration 				
EDB Members	Ayes	Ayes (WR)	Nays	Excused	
1. YAMASHITA, Kyle T. (C)					
2. WAKAI, Glenn (VC)					
3. BERG, Lyla B., Ph.D.					
4. BROWER, Tom					
5. CHANG, Jerry L.	V/				
6. HANOHANO, Faye P.					
7. HERKES, Robert N.					
8. MANAHAN, Joey	V				
9. TSUJI, Clift					
10. YAMANE, Ryan I.	V.				
11. CHING, Corinne W.L.	V'_				
12. MARUMOTO, Barbara C.					
TOTAL	10	Ø	9	2	
The recommendation is: Adopted Not Adopted If joint referral, did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office					