Honolulu, Hawaii

FEB 2 6 2010

RE:

S.B. No. 2831

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Madam:

Your Committee on Judiciary and Government Operations, to which was referred S.B. No. 2831 entitled:

"A BILL FOR AN ACT RELATING TO THE PROCUREMENT CODE,"

begs leave to report as follows:

The purpose of this measure is to make permanent the requirements for withholding payment to a subcontractor effectuated by Act 175, Session Laws of Hawaii 2009.

Testimony in support of this measure was submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that contract provisions relating to the retainage of amounts due between a contractor and subcontractor are significant to the construction industry and should be made permanent law. Your Committee also finds that it is essential to clarify that retention amounts can be withheld from a subcontractor on a public works project and clarify the conditions under which a procurement officer can withhold part or all of a subcontractor's payment request.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of accuracy in the statutory language.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached



to this report, your Committee is in accord with the intent and purpose of S.B. No. 2831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2831, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Judiciary and Government Operations,

BRIAN T. TANIGUCHI, Chair

## The Senate Twenty-Fifth Legislature State of Hawaii

## Record of Votes Committee on Judiciary and Government Operations JGO

Bill / Resolution No.:*	Committee Referral:			Date:		
SB 2831	740			2/23/10		
The committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (W	R)	Nay	Excused
TANIGUCHI, Brian T. (C)						
TAKAMINE, Dwight Y. (VC)						\
BUNDA, Robert						
GABBARD, Mike			EVE:			
NISHIHARA, Clarence K.	Mile Consumption of the Consumpt		West Control of the C		The state of the s	din disense
SLOM, Sam						
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TOTAL		4	_	_		2
Recommendation:  Adopted  Not Adopted						
Chair's or Designee's Signature:  Clarence & Huskihere						
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy						

\*Only one measure per Record of Votes