Honolulu, Hawaii

, 2024 FEB 29

RE: H.B. No. 2070

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 Judiciary & Hawaiian Affairs, to which was referred H.B. No. 2070, H.D. 1, 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 as determined by the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs, except in cases where the appeal was frivolous or made in bad faith.

Your Committee received testimony in support of this measure from the General Contractors Association of Hawaii; Hawaii Operating Engineers Industry Stabilization Fund Political Action Committee; Subcontractors Association of Hawaii; Ralph S. Inouye Co. Ltd.; Nordic PCL Construction, Inc.; S & M Sakamoto, Inc.; Koga Engineering & Construction, Inc.; King & Neel, Pacific, Inc.; and Moss.

Your Committee finds that existing law requires a party protesting an agency decision to put up a one percent cash or protest bond without a cap to prevent the filing of frivolous appeals. However, there is no safeguard language in the statute that allows for the return of the bond, minus the administrative costs associated with hearing the appeal, unless the appeal is found to be frivolous or in bad faith. This measure would include this safeguard language, ensuring a balance that deters frivolous appeals without the unintended consequence of also deterring legitimate appeals on large projects.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2070, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on behalf of the members of the Committee on Judiciary & Hawaiian Affairs,

DAVID A. TARNAS, Chair

## State of Hawaii



## Record of Votes of the Committee on Judiciary & Hawaiian Affairs

Bill/Resolution No.: Committee  HB2070, HD1 LG0	e Referral:	Date	2-9-2	4
The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)				
JHA Members	Ayes	Ayes (WR)	Nays	Excused
1. TARNAS, David A. (C)				
	Market St.			
2. TAKAYAMA, Gregg (VC)			eryani za	77 C 72
3. EVSLIN, Luke A.				400 3000
4. GANADEN, Sonny				jeda 105 i
	4.062			
5. HOLT, Daniel	THE AND DESCRIPTION OF STREET			
	d, itseles			
6. ICHIYAMA, Linda		775 - 775 -		
	itanii 1855. — Triji Pamali 1885. — Triji			
7. ILAGAN, Greggor				N. C. No. of Concession, Spinster,
P. VONC Some Sections				
8. KONG, Sam Satoru				
9. MIYAKE, Tyson K.		733065829 351		
			na	
10. SOUZA, Kanani	5.5 Ph. 10 ph. Car Bras.			
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TOTAL (10)	7	· -	-	3
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				