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# 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;





# 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.*

