

Honolulu, Hawaii

MAR 30 , 2026

RE: S.B. No. 2601
S.D. 2
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred S.B. No. 2601, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Amend the criminal penalties for Hawaii public procurement code violations to:
 - (A) A petty misdemeanor for the first offense; and
 - (B) A misdemeanor for any subsequent offense; and
- (2) Ensure that awarded contracts are supported by sufficient appropriations by requiring Chief Procurement Officer approval for any contract that exceeds ten percent of the amount of the available appropriation or balance of an appropriation before the contract becomes binding.

Your Committee received comments on this measure from the State Procurement Office and one individual.



Your Committee finds that the Hawaii Public Procurement Code requires clear fiscal safeguards to ensure that state contracts are supported by available appropriations and subject to appropriate oversight. This measure promotes responsible stewardship of public funds while reinforcing confidence in the State's procurement processes.

Your Committee has amended this measure by:

- (1) Deleting language that would have amended the criminal penalties for Hawaii public procurement code violations;
- (2) Specifying that a person shall be subject to prosecution for a misdemeanor in cases of egregious violations of the Hawaii Public Procurement Code;
- (3) Clarifying that Chief Procurement Officer approval is required for any contract that exceeds fifteen percent of the amount of the available appropriation or balance of an appropriation before the contract becomes binding;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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 S.B. No. 2601, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2601, S.D. 2, H.D. 1, and be referred to your Committee on Finance.



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

A handwritten signature in black ink that reads "David Tarnas". The signature is written in a cursive style with a large, prominent "D" and "T".

DAVID A. TARNAS, Chair



