

ACT 35

H. B. NO. 121

A Bill for an Act Relating to Deposits of Legal Tender, etc., to Accompany Bids on Public Contracts.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 103-28, Hawaii Revised Statutes, is amended to read:

“Sec. 103-28 Deposits of legal tender, etc., to accompany bid. All bids shall be accompanied by a deposit of legal tender or by a certificate of deposit,

ACT 35

cashier's check or certified check on a bank that is insured by the Federal Deposit Insurance Corporation, for or in a sum equal to five per cent of the amount bid, payable at sight to the officer advertising for tenders; provided, that when the amount bid exceeds \$50,000, the legal tender, certificate of deposit, cashier's check or certified check shall be for \$2,500 plus two per cent of the amount in excess of \$50,000. A certificate of deposit, cashier's check or certified check may be utilized only to a maximum of \$20,000.

A bid deposit for a bid requiring a deposit in excess of \$20,000 shall only be in the form of legal tender or a surety bond conforming to the requirements of section 103-31."

SECTION 2. Section 103-31, Hawaii Revised Statutes, is amended to read:

"Sec. 103-31 Bond may be substituted for deposits, etc. In lieu of the deposit of legal tender, certificate of deposit, cashier's check or certified check, a bid may be accompanied by a surety bond executed to the officer calling for bids by the bidder as principal, and by any corporation organized for the purpose of becoming surety on bonds, authorized under the laws of the United States or of the State to act as surety, and doing business in the State under the laws of the United States or of the State, if a foreign corporation, and under the laws of the State, if a Hawaiian corporation, as surety, in a penal sum of equal amount, conditioned upon the bidder entering into the contract and furnishing satisfactory security within ten days after the award or within such further time as the officer may allow, if the bidder is awarded the contract."

SECTION 3. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material or the underscoring.*

SECTION 4. This Act shall take effect upon its approval.

(Approved May 4, 1973.)

*Edited accordingly.