

A Bill for an Act Relating to Expenditure of Public Money and Public Contracts.
Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 103, Hawaii Revised Statutes, is amended by adding two sections to be appropriately designated and to read as follows:

“Sec. 103- Contract provision for retainage. Any public contract issued under this chapter may include a provision for the retainage of a portion of the amount due under the contract to the contractor to insure the proper performance of the contract; provided that the sum withheld by the contracting officer from the contractor shall not exceed five per cent of the amount due the contractor and that after fifty per cent of the contract is completed and progress is satisfactory, no additional sum shall be withheld; provided further, that if progress is not satisfactory, the contracting officer may continue to withhold as retainage, sums not exceeding five per cent of the amount due the contractor.”

“Sec. 103- Substitution of retainage. Any other law to the contrary notwithstanding, any public contract issued under this chapter may provide that the contracting officer may enter into an agreement with the contractor which will allow the contractor to withdraw from time to time the whole or any portion of the sum retained under section 103- upon depositing with the contracting officer any government bond with a market value not less than the sum to be withdrawn.”

SECTION 2. New statutory material is underscored. In printing this Act, the revisor of statutes need not include the underscoring.*

SECTION 3. This Act shall take effect upon its approval.

(Approved June 1, 1976.)

*Edited accordingly.