

A Bill for an Act Relating to Payment for Goods and Services.

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

SECTION 1. Section 103-10, Hawaii Revised Statutes, is amended to read as follows:

**“§103-10 Payment for goods and services.** Any person who renders a proper statement for goods delivered or services performed, pursuant to contract, to any agency of the State or any county, shall be paid no earlier than thirty days, except with the approval of the comptroller, and no later than [sixty] forty-five calendar days following receipt of the statement[.] or satisfactory delivery of the goods or performance of the services, whichever is later. In the event circumstances prevent the paying agency from complying with this section, the person shall be entitled to interest from the paying agency on the principal amount remaining unpaid at the [rate of one per cent per month] effective rate of twelve per cent simple interest per year commencing on the [sixtieth] forty-fifth day following receipt of the statement[.] or satisfactory delivery of the goods or performance of the services, whichever is later, and ending on the date of the warrant. This section shall not apply in those cases where delay in payment is due to; a bona fide dispute between the State or any

county and the contractor concerning the services or goods contracted for[. This section shall apply only to those cases where payment is withheld arbitrarily or erroneously.]; a labor dispute; a power or mechanical failure; fire; acts of God; or any similar circumstances beyond the control of the State or any county. Where the time of payment is contingent upon the receipt of federal funds, or federal approval, the solicitation of bids for contracts shall clearly state that payment is contingent upon such conditions. If the solicitation for bids contains the warning and a contract is awarded in response to the solicitation then interest will not begin to accrue upon any unpaid voucher until the [sixtieth] forty-fifth day following receipt by the State of the contractor's statement or the thirtieth day following receipt of the federal funds or approval, whichever occurs later[.], and will end as of the date of the warrant."

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored.

SECTION 3. This Act shall take effect January 1, 1985.

(Approved June 4, 1984.)