

ACT 313

S.B. NO. 1531

A Bill for an Act Relating to Public Works and Contracts.

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

SECTION 1. Existing state law does not require state agencies to grant a preference to in-state contractors when awarding a contract for a special works project.

This Act requires a state agency to award a contract for a public works project to a bidder who has filed State of Hawaii employment, general excise, and income tax returns and has paid all amounts owing on such returns for a minimum of two successive years prior to submitting the bid, provided that the amount of the bid is not more than five per cent higher than the amount bid by any competing contractor who has not filed State of Hawaii taxes as specified, and the amount of the bid by the local bidder is \$5,000,000 or less; or has filed State of Hawaii employment, general excise, and income tax returns and has paid all amounts owing on such returns for a minimum of four successive years prior to submitting the bid, provided that the amount of the bid is not more than five per cent higher than the amount bid by any competing contractor who has not filed or paid State of Hawaii taxes as specified, and the amount of the bid by the bidder is more than \$5,000,000.

SECTION 2. Chapter 103, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§103- Preference to bidders on state agency contracts. (a) The requirements in this section are in addition to any other applicable requirements provided in this chapter.

(b) The preference in this section may not be utilized in combination with any other preference otherwise available to a bidder under state or federal law.

(c) In any contract for a public works project, a state agency shall award the contract to a bidder who has filed State of Hawaii employment, general excise, and income tax returns and has paid all amounts owing on such returns for two successive years prior to submitting the bid; provided that the amount of that bid is not more than five per cent higher than the amount bid by any competing contractor who has not filed or paid State of Hawaii taxes as specified, and the amount of the bid by the state tax paying bidder is \$5,000,000 or less.

(d) In any contract for a public works project, a state agency shall award the contract to a bidder who has filed State of Hawaii employment, general excise, and income tax returns and has paid all amounts owing on such returns for four successive years prior to submitting the bid; provided that the amount of that bid is not more than five per cent higher than the amount bid by any competing contractor who has not filed or paid State of Hawaii taxes as specified, and the amount of the bid by the state tax paying bidder is more than \$5,000,000.

(e) If two or more contractors who have paid state and county taxes or were required to submit a filing regarding state and county taxes are bidding on a public works contract, and those contractors meet the criteria outlined in subsection (c) or (d), the state agency shall award the contract to the contractor among them who has submitted the lowest bid.

(f) If any federal statute or regulation precludes the granting of federal assistance or reduces the amount of that assistance for a particular public works project because of preference awarded by this section, this section shall not apply insofar as its application would preclude or reduce federal assistance for that work.”

SECTION 3. New statutory material is underscored.¹

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

(Approved June 21, 1993.)

Note

1. Edited pursuant to HRS §23G-16.5.