A BILL FOR AN ACT

RELATING TO PROCUREMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1   SECTION 1. The legislature finds that state departments

2   and agencies procure services in part through contracts with

3   private vendors. Increasingly, private vendors carry out these

4   services, or subcontract or otherwise procure these services,

5   from locations outside the United States. This international

6   outsourcing exacerbates unemployment and workforce dislocation

7   and deprives Hawaii and other United States residents of job

8   opportunities, including industries and jobs that the State has

9   expended development assistance resources to attract.

10   International outsourcing erodes state and county revenues by

11   drawing jobs and income away from the state. In addition,

12   international outsourcing may provide less privacy protection

13   for state residents whose personal information, in the course of

14   service delivery, may be transmitted to locations outside the

15   United States.

16   The purpose of this Act is to ensure that state dollars are

17   used to create jobs within the state and to stabilize the state

18   tax base by prohibiting state departments and agencies from

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1   contracting with or providing economic development assistance to

2   companies that ship work offshore.

3   SECTION 2. Chapter 103, Hawaii Revised Statutes, is

4   amended by adding a new section to part I to be appropriately

5   designated and to read as follows:

6   "**§103-   Contracting; overseas work prohibited;**

7   **certification; civil action.** (a) This section shall apply to:

8   (1) All contracts made by a state governmental body; and

9   (2) All state-funded development assistance.

10   (b) No contracting governmental body shall award a

11   contract or development assistance to a vendor, bidder,

12   contractor, subcontractor, or applicant for development

13   assistance that will perform the work at a site outside the

14   United States. Nothing in this section shall be construed to

15   supersede or replace existing requirements for development

16   assistant programs.

17   (c) Each vendor submitting a bid or contract to provide

18   services and all development assistance applicants shall certify

19   that the services covered by the bid, contract, or development

20   assistance will be performed within the United States.

1   (d)   This section shall not apply to a service covered by a

2   bid, contract, or development assistance that is not available

3   in the United States.

4   (e)   The contracting governmental body may bring a civil

5   action in state or federal court to enforce this section. The

6   court shall award reasonable attorney's fees and costs to the

7   contracting governmental body.

8   (f)   For the purpose of this section, "development

9   assistance" means any form of public assistance, including tax

10   expenditures, made for the purpose of stimulating economic

11   development of a corporation, industry, geographic jurisdiction,

12   or any other sector of the State's economy, including industrial

13   development bonds; training grants; loans; loan guarantees;

14   enterprise zones; empowerment zones; tax increment financing;

15   fee waivers; land price subsidies; infrastructure whose

16   principal beneficiary is a single business or defined group of

17   businesses at the time the business or businesses are built or

18   improved; matching funds; tax abatements; tax credits and tax

19   discounts of every kind, including corporate franchise, personal

20   income, sales, and compensating use, raw material, real

21   property, job creation, individual investment, excise, utility,

1 inventory, accelerated depreciation, and research and

2 development tax credits and discounts."

3   SECTION 3. New statutory material is underscored.

4   SECTION 4. This Act shall take effect on July 1, 2034.

Report Title:
State Contracts and Development Assistance; Bans Offshore Work

Description:
Prohibits the state from contracting with or providing development assistance to companies that contract work outside of the United States unless the work is not available locally or domestically. (HB32 HD1)