

Honolulu, Hawaii

Feb 14, 2006

RE: S.B. No. 1223  
S.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which  
was referred S.B. No. 1223, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO NEGOTIABLE INSTRUMENTS,"

begs leave to report as follows:

The purpose of this bill is to recognize that the cost of  
recovering a check has increased over the past six years by  
raising the service charge that a check holder may assess for a  
dishonored check from \$20 to an unspecified amount.

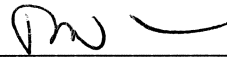
Credit Associates of Maui, Ltd., and Honolulu Collection  
Corporation supported this bill. Credguard Corporation, Kauai  
Credit Adjusters, Vericheck Kauai, Maui Collection Service, Inc.,  
MEDCAH, Inc., Pacific Collections, Doctors Business Bureau of  
Hawaii, Vericheck, Collection Agency of Hawaii, Sunrise Recovery  
Services, L.L.C., and several concerned individuals submitted  
testimony in support of this measure and recommended amendments.  
The Office of Consumer Protection, Department of Commerce and  
Consumer Affairs commented.

Your Committee finds that similar fees in other states range  
from \$10 to \$30 dollars, while local financial institutions charge  
approximately \$20. There remains some question as to whether  
there is evidence to support an increase in the service charge.



As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1223, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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ROBERT N. HERKES, Chair



