

Honolulu, Hawaii

Ag-127 , 2007

RE: H.B. No. 483  
H.D. 1  
S.D. 1  
C.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 483, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CHECK CASHING,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to improve regulations of the check cashing industry by, among other things:

- (1) Requiring check cashers to register with the Department of Commerce and Consumer Affairs (DCCA);
- (2) Setting forth requirements for payment plans offered by check cashers;
- (3) Requiring check cashers to maintain records and report on business operations in accordance with DCCA rules;



- (4) Requiring additional information to be included in the posting and notice of check casher fees;
- (5) Limiting the total amount of a deferred deposit transaction to no more than 30 percent of the customer's gross monthly income; and
- (6) Exempting from the general excise tax, fees and interest received by check cashers for deferred deposit transactions.

Deferred deposit transactions, or payday loans, have the potential to trap consumers in a cycle of debt that makes it difficult to build assets for the future. In 2005, the Office of the State Auditor conducted a sunrise analysis on the regulation of check cashing and deferred deposit agreements and recommended that chapter 480F, Hawaii Revised Statutes, be strengthened to be more consumer friendly.

Your Committee on Conference further finds that requiring registration, rather than licensing, of check cashers with DCCA takes into consideration the concerns of both consumers and the industry regarding regulating check cashing and payday lending.

Your Committee on Conference also notes that a sunset of the registration requirements established by this measure would afford the Legislature an opportunity to revisit the issue of enhancing the regulation of check cashers and determine whether check cashers should be licensed.

Accordingly, your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2007;
- (2) Providing a sunset date of June 30, 2009, for the provisions of this bill:
  - (A) Requiring check cashers to register with the Department of Commerce and Consumer Affairs; and
  - (B) Setting forth requirements for payment plans offered by check cashers;
- (3) Specifying the print sizes required for postings and notices of check casher fees; and



- (4) Making technical, nonsubstantive amendments for clarity and style.


As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 483, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 483, H.D. 1, S.D. 1, C.D. 1.

Respectfully submitted on behalf  
of the managers:

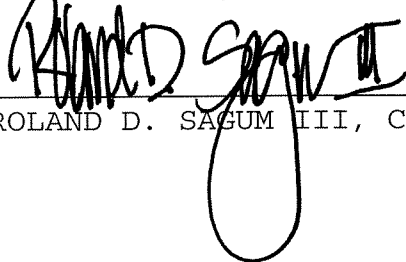
ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE

  
BRIAN T. TANIGUCHI, Chair

  
ROBERT N. HERKES, Co-Chair

  
TOMMY WATERS, Co-Chair

  
ROLAND D. SAGUM III, Co-Chair



