

STAND. COM. REP. NO.

645

Honolulu, Hawaii

MAR 01 2007

RE: S.B. No. 1523

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1523 entitled:

"A BILL FOR AN ACT RELATING TO DISHONORED PAYMENTS,"

begs leave to report as follows:

The purpose of this measure is to streamline the collection of service charges for dishonored payments to the State.

This bill increases the service charge to a uniform flat fee for all dishonored payments made to the State, and authorizes collection agencies, in addition to the Attorney General, to collect the dishonored payment and service charge on behalf of the State. The bill also eliminates interest charges on the service charge for dishonored payments to the State.

Your Committee received testimony in support of this Judiciary package bill from the Judiciary.

Your Committee finds that an increased service charge has now become necessary to defray the increased costs of processing a dishonored payment and recollecting payment for the original amount owed and the service charge. Furthermore, standardization of the service charge for all dishonored payments will ease the administrative burdens of determining what form of payment was made and which service charge amount is applicable, as is being currently done. Also, deletion of the interest charge is desirable because the benefits of obtaining the relatively small interest amount is more than outweighed by the costs of monitoring, computing, and collecting that interest amount.

SB1523 SSCR LRB 07-2171.doc



Lastly, authorizing collection through a collection agency will provide an additional method of collection.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1523 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

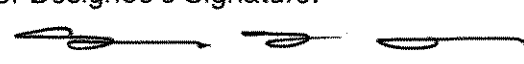


ROSALYN H. BAKER, Chair



The Senate  
Twenty-Fourth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 1523</b>	Committee Referral: <b>WAM</b>	Date: <b>2/6/07</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne				/
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
KIM, Donna Mercado	/			
MENOR, Ron				/
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
WHALEN, Paul	/			
<b>TOTAL</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:             Original             Yellow             Pink File with Committee Report             Clerk's Office             Drafting Agency				

\*Only one measure per Record of Votes