

STAND. COM. REP. NO.

2115

Honolulu, Hawaii

FEB - 9 2010

RE: S.B. No. 2018

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2018 entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify the allowable amount that a payee or holder in due course may charge for a dishonored check by removing the requirement of a reasonableness analysis in determining the maximum penalty for a dishonored check.

Your Committee received testimony in support of this measure from the Consumer Data Industry Association and Retail Merchants of Hawaii. Testimony with comments on this measure was received from the Office of Consumer Protection. Written testimony presented to the Committee may be reviewed on the Legislature's website.

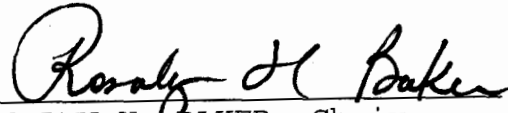
Your Committee finds that Hawaii is one of only six states that currently imposes a reasonableness standard in its statutory penalties for dishonored checks. Your Committee notes that a similar reasonableness standard is currently the subject of multistate, class action litigation in another jurisdiction. In light of Hawaii's minority position and the lack of clarity expressed by the current statute, your Committee finds that it is in the best interest of consumers in the State to remove the current statutory requirement that penalties for every dishonored check be subject to an individualized reasonableness analysis. Your Committee further finds that Hawaii's maximum penalty of \$30



per returned check, which remains unchanged by this measure, is lower than the national average.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2018 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 Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB 2018	Committee Referral: CPN	Date: 1/27/10		
<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)	✓			
IGE, David Y. (VC)				✓
ESPERO, Will	✓			
GREEN, M.D., Josh	✓			
IHARA, Jr., Les				✓
SAKAMOTO, Norman	✓			
HEMMINGS, Fred	✓			
TOTAL	5	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em; margin-top: 10px;"> <i>Will Espero</i> </div>				
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*Only one measure per Record of Votes