

Honolulu, Hawaii

Feb 17 , 2012

RE: H.B. No. 2442

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 2442 entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF THE ATTORNEY GENERAL, "

begs leave to report as follows:

The purpose of this measure is to provide the Department of the Attorney General the resources it needs to function effectively and proactively in the prosecution of claims for the State. Specifically, this measure designates that all proceeds from a civil action or settlement of a civil claim initiated, filed, or prosecuted by the Attorney General go to the Litigation Deposits Trust Fund. Moreover, this measure authorizes the Department of the Attorney General to retain in the Litigation Deposits Trust Fund the first 15 percent of a recovery to be used expressly for investigation and prosecution efforts. Additionally, this measure authorizes the Department of the Attorney General to retain a portion of the remaining recovery, depending upon whether the action or claim involves the general fund or a non-general fund.

If the action or claim involves the general fund, the Department of the Attorney General may retain the remaining 85 percent of the recovery. However, if the action or claim involves a non-general fund, then that non-general fund shall be replenished up to the amount of its loss from that remaining 85 percent of the recovery. Thereafter, any balance that remains



from the recovery after the non-general fund is replenished, may be retained by the Department of the Attorney General in the trust fund. Regardless of whether the action or claim involves the general fund or a non-general fund, the portion retained of the remaining 85 percent of the recovery is not expressly limited to being used for investigation and prosecution efforts.

The Department of the Attorney General and two concerned individuals testified in support of this measure.

Your Committee has amended this measure by:

- (1) Retaining statutory language authorizing the Department of the Attorney General to invest monies from the Litigation Deposits Trust Fund in securities; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2442, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2442, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



GILBERT KEITH-AGARAN, Chair



