

Honolulu, Hawaii

FEB 07 2012

RE: S.B. No. 2770

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2770 entitled:

"A BILL FOR AN ACT RELATING TO COLLECTION AGENCIES,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify and strengthen enforcement provisions for exempt out-of-state collection agencies and increase penalties for violations by all collection agencies governed under chapter 443B, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs.

Your Committee finds that the number of exempt out-of-state collection agencies operating in Hawaii has doubled since 2004, while the number of registered collection agencies has remained relatively stable. Exempt out-of-state collection agencies may operate in a limited capacity, without registration and bonding, and without maintaining a local address. Your Committee further finds that the exemption from collection agency law was originally enacted to afford Hawaii-registered collection agencies reciprocity with other participating states.

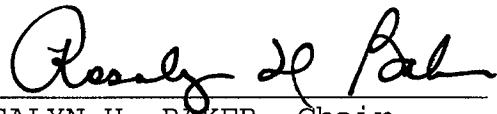
Your Committee notes that the amendments proposed by this measure will allow the Department of Commerce and Consumer Affairs to adequately oversee the growing number of exempt out-of-state



collection agencies in a manner that protects Hawaii's consumers and preserves the reciprocal benefits of exempt agencies.

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. 2770 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

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



ROSALYN H. BAKER, Chair



