

Honolulu, Hawaii

APR 05 2013

RE: H.B. No. 1150  
H.D. 1  
S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred  
H.B. No. 1150, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Exempt an owner's agreement with an attorney to file a claim as to identified property or contest the administrator's denial of a claim from the application of section 523A-25, Hawaii Revised Statutes; provided that an owner's agreement with an attorney that provides for compensation shall not exceed twenty-five percent of the total value of the property; and
- (2) Provide an exception to the twenty-five percent limit for an owner's agreement with an attorney to maintain an action in circuit court upon approval of the court.

Your Committee received testimony in support of this measure from the Collections Law Section of the Hawaii State Bar Association.

Your Committee finds that Act 229, Session Laws of Hawaii 2012, limited compensation for the recovery of property presumed abandoned to ten percent of the total value of the property. Your Committee further finds that the majority of property held by the



Department of Budget and Finance is valued at less than \$5,000. If any difficulties are encountered when attempting to release property from the Department of Budget and Finance, the cost for the claimant to hire an attorney in the majority of unclaimed property cases will increase beyond the ten percent limit rather quickly. The ten percent limit on compensation for recovery therefore creates a barrier for members of the public who wish to hire an attorney to assist with the recovery of unclaimed funds or property. By increasing the limit on compensation for attorneys to twenty-five percent of the total value of the property, this measure ensures that members of the public are still able to retain attorneys to handle the claims process, while also ensuring that attorneys' fees for this process remain at reasonable levels.

Your Committee has amended this measure by changing the effective date from July 1, 2050, to July 1, 2013.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1150, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1150, H.D. 1, S.D. 2.

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




---

CLAYTON HEE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Judiciary and Labor**  
**JDL**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1150, HD1, SD1	CPN, JDL	3/28/13		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile S.L. (VC)	✓			
GABBARD, Mike	✓			
IHARA, Jr., Les				✓
SLOM, Sam	✓			
<b>TOTAL</b>	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes