

Honolulu, Hawaii

February 15, 2013

RE: H.B. No. 1342  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and  
Judiciary, to which was referred H.B. No. 1342 entitled:

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

beg leave to report as follows:

The purpose of this measure is to clarify and amend statutory  
law relating to the collection of delinquent accounts by the  
Attorney General, including:

- (1) Requiring the Attorney General to collect executive  
department delinquent accounts that are more than ninety  
days past due, except for the delinquent accounts of the  
Department of Taxation and the University of Hawaii;
- (2) Providing for the Attorney General to retain an  
unspecified percentage of moneys recovered from  
delinquent accounts for deposit into the newly-  
established Civil Recoveries Fund;
- (3) Providing for the executive departments to retain a  
percentage of moneys recovered by the Attorney General  
from respective delinquent accounts; and
- (4) Allowing the Department of Taxation, the University of  
Hawaii, and the Judiciary to contract with a collection  
agency to collect delinquent accounts.



The University of Hawaii testified in support of this measure. The Department of Commerce and Consumer Affairs and the Department of the Attorney General testified in support of the intent of this measure. The Department of Budget and Finance, Department of Agriculture, and an individual testified in opposition of this measure. The Judiciary provided comments on this measure.

Your Committees note that the various executive departments deal with delinquent accounts that are ninety days past due in various capacities and are thus affected differently by this measure, with the Department of Agriculture in particular dealing often with accounts that are ninety days past due. Should the Committee on Finance consider this measure, your Committees respectfully request that the Committee on Finance consider communicating with the various executive departments to determine the amounts collected on delinquent accounts within the ninety-day past due timeframe.

Your Committees have amended this measure by:

- (1) Authorizing any executive agency and the Judiciary to use the Attorney General's delinquent account collection service;
- (2) Removing provisions in the measure that authorize the Attorney General to review delinquent accounts and make determinations on whether or not they are uncollectible; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1342, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1342, H.D. 1, and be referred to the Committee on Finance.

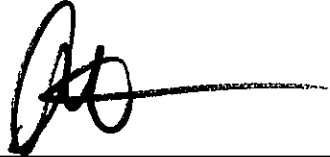


Respectfully submitted on  
behalf of the members of the  
Committees on Consumer  
Protection & Commerce and  
Judiciary,



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KARL RHOADS, Chair



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ANGUS L.K. MCKELVEY, Chair





