

STAND. COM. REP. NO.

1219

Honolulu, Hawaii

March 27, 2015

RE: S.B. No. 737
S.D. 1
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred S.B. No. 737, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CHECK CASHING,"

begs leave to report as follows:

The purpose of this measure is to limit the total amount of
fees charged for the deferred deposit of a personal check to an
annual percentage rate of 36 percent.

The Department of Commerce and Consumer Affairs; Hawaii
Alliance for Community-Based Economic Development; Moveon.org
Honolulu Council; Hawaii Appleseed Center for Law and Economic
Justice; Phocused; Catholic Charities Hawaii; Faith Action for
Community Equity; Hawaiian Community Assets; The ILWU Local 142;
Progressive Democrats of Hawaii; AARP; Community Alliance on
Prisons; and many individuals provided testimony in support of
this measure. Dollar Financial Group, Inc.; Money Mart; Money
Service Centers of Hawaii, Inc.; Aloha Finance, Inc.; Hawaii Check
Cashing; Maui Loan Inc.; Cash in Advance, Inc.; and one concerned
individual submitted testimony opposing this measure.

Your Committee has amended this measure by:

- (1) Limiting the total amount of fees charged for the
deferred deposit of a personal check to an unspecified
annual percentage rate;

SB737 HD1 HSCR CPC HMS 2015-2927



- (2) Beginning July 1, 2015, requiring licensed businesses in the State to notify the Department of Commerce and Consumer Affairs at the end of each fiscal year if they conducted any deferred deposit transaction;
- (3) Requiring the Department of Commerce and Consumer Affairs to keep a record of all licensed businesses that conduct deferred deposit transactions in each fiscal year beginning July 1, 2015;
- (4) Prohibiting a check casher from entering into an agreement for deferred deposit with a customer within five days immediately following the end of the customer's earlier agreement for a deferred deposit;
- (5) Raising the fine for a wilful violation of chapter 480F, Hawaii Revised Statutes, up to a maximum of \$5,000; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee respectfully requests that your Committee on Finance further examine the annual percentage rate limit for the deferred deposit of a personal check and whether the annual percentage rate limit is the appropriate measurement solution.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 737, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 737, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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



ANGUS L.K. MCKELVEY, Chair



