

JAN 25 2017

A BILL FOR AN ACT

RELATING TO ELECTRONIC FUNDS TRANSFERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to update and
2 clarify the pertinent statute relating to electronic funds
3 transfers in the state treasury bank accounts.

4 SECTION 2. Section 40-51.5, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "§40-51.5 Checks or electronic funds transfers in lieu of
7 warrants. With reference to warrants addressed under this part,
8 the comptroller may, with the approval of the director of
9 finance, issue checks drawn from, or make electronic funds
10 transfers from, depositories of state treasury moneys in lieu of
11 warrants drawn from the state treasury. Electronic funds
12 transfers include Automated Clearing House transactions that
13 debit the State's bank account under certain situations as may
14 be authorized by the director of finance."

15 SECTION 3. New statutory material is underscored.

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S.B. NO. 941

1 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: *Am. D. M.*

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BY REQUEST

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S.B. NO. 941

Report Title:

Electronic Funds Transfers

Description:

Update statute relating to electronic funds transfers to allow Automated Clearing House account debit transactions in certain situations as may be approved by the Director of Finance.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT RELATING TO ELECTRONIC FUNDS TRANSFERS.

PURPOSE: To update and clarify section in the statutes relating to electronic payments made to the State.

MEANS: Amend section 40-51.5, Hawaii Revised Statutes (HRS).

JUSTIFICATION: Amend section 40-51.5, "Checks or electronic funds transfers in lieu of warrants", to clarify that specific organizations in certain situations may be allowed to initiate ACH (Automated Clearing House) debits to the State's bank accounts.

Impact on the public: No direct impact. Indirectly will benefit government operations by clarifying sections.

Impact on the department and other agencies: Increases efficiency of operations by clarifying section relating to electronic funds collections, as agencies increasingly utilize updated methods of deposits into the bank.

GENERAL FUNDS: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: BUF-115.

OTHER AFFECTED AGENCIES: Department of Taxation.

EFFECTIVE DATE: Upon approval.