
A BILL FOR AN ACT

RELATING TO THE REISSUANCE OF PAYROLL CHECKS.

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

1 SECTION 1. Section 40-53, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) All payments for permanent settlements, specific and
4 all other salaries, shall be drawn by the comptroller, payable
5 to each individual to whom the State is directly indebted,
6 except as provided for in section 40-58. No permanent
7 settlements nor salary checks shall be paid by the director of
8 finance until the person in whose favor the check is drawn shall
9 have indorsed the person's signature thereon. All reissuances
10 due to a non-received, lost, fraudulent, or altered payroll
11 check shall be assessed a \$50 fee per check."

12 SECTION 2. New statutory material is underscored.

13 SECTION 3. This Act, upon its approval, shall take effect
14 on July 1, 2020.

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INTRODUCED BY: 

17

BY REQUEST

Report Title:

Reissuance of Payroll Checks

Description:

Amends section 40-53(a), Hawaii Revised Statutes, to all reissuance due to a non-received, lost, fraudulent, or altered payroll check to be assessed a \$50 fee per check.

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SB. NO. 2839

JUSTIFICATION SHEET

DEPARTMENT: Accounting and General Services

TITLE: A BILL FOR AN ACT RELATING TO THE REISSUANCE OF PAYROLL CHECKS.

PURPOSE: The purpose of this bill is to require the charge of a \$50 fee for the reissuance of any payroll check.

MEANS: Amend section 40-53(a), Hawaii Revised Statutes

JUSTIFICATION: The passage of Act 110, Session Laws of Hawaii 1998, requires all employees hired on or after July 1, 1998, to designate a financial institution account into which the State is authorized to deposit the employee's pay. With the modernization of the payroll system starting with the pay period ending May 4, 2019, the State of Hawaii was able to provide direct deposit to employees through an Automated Clearing House (ACH), which is settled to the employee's designated account by pay date.

With a fee assessed for the reissuance of a payroll check, it will be beneficial for the employee to convert from a paper check to ACH to avoid being assessed a fee for the reissuance of a payroll check.

Impact on the public: None.

Impact on the department and other agencies: May lessen workload. Currently, departments need to submit a stop payment form and wait for validated paperwork prior to transacting the reissuance in the Hawaii Information Portal.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: AGS 102.

OTHER AFFECTED
AGENCIES: All state departments and agencies.

EFFECTIVE DATE: July 1, 2020.