

Honolulu, Hawaii

FEB 01

, 2024

RE: H.B. No. 1643
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Labor & Government Operations, to which was referred H.B. No. 1643 entitled:

"A BILL FOR AN ACT RELATING TO INDEBTEDNESS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Shorten the time within which a disbursing officer must notify an employee of indebtedness to the government resulting from salary or wage overpayment;
- (2) Amend the criteria for an actionable cause of action;
and
- (3) Amend the amount a disbursing officer shall deduct to begin immediate recovery of indebtedness.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, ALF-CIO; and United Public Workers, AFSCME Local 646, AFL-CIO. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that occasionally the State and counties will mistakenly overpay an employee over a period of time or



through a lump sum payment. This overpayment effectively becomes a loan with a burdensome repayment plan that often punishes the affected employee for a payroll error committed by the employer. This measure provides employees, particularly those who are living paycheck to paycheck, with more time and greater flexibility to repay their debt without undue burden.

Your Committee has amended this measure by:

- (1) Clarifying the timeframe in which a disbursing officer shall notify an employee of the indebtedness;
- (2) Establishing a tier system based on an employee's gross pay for the amount a disbursing officer deducts to begin immediate recovery of indebtedness;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1643, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Government
Operations,


SCOT Z. MATAYOSHI, Chair



