Honolulu, Hawaii

Fe414, 2006

RE: S.B. No. 1223 S.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 1223, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO NEGOTIABLE INSTRUMENTS,"

begs leave to report as follows:

The purpose of this bill is to recognize that the cost of recovering a check has increased over the past six years by raising the service charge that a check holder may assess for a dishonored check from \$20 to an unspecified amount.

Credit Associates of Maui, Ltd., and Honolulu Collection Corporation supported this bill. Credguard Corporation, Kauai Credit Adjusters, Vericheck Kauai, Maui Collection Service, Inc., MEDCAH, Inc., Pacific Collections, Doctors Business Bureau of Hawaii, Vericheck, Collection Agency of Hawaii, Sunrise Recovery Services, L.L.C., and several concerned individuals submitted testimony in support of this measure and recommended amendments. The Office of Consumer Protection, Department of Commerce and Consumer Affairs commented.

Your Committee finds that similar fees in other states range from \$10 to \$30 dollars, while local financial institutions charge approximately \$20. There remains some question as to whether there is evidence to support an increase in the service charge.

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. 1223, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

ROBERT N. HERKES, Chair

State of Hawaii House of Representatives The Twenty-third Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: \(\mathbb{B} \) /223 \(\mathbb{D} \) \(\mathbb{D} \) \(\mathbb{D} \) ate: \(\mathbb{D} \) \(\mathbb{D} \) \(\mathbb{D} \)				
Committee Referral: The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended Pass, with amendments				
□ Hold □ Recommit				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)	/			
2. SCHATZ, Brian (VC)				
3. CALDWELL, Kirk				
4. ITO, Ken				
5. KANOHO, Ezra R.				
6. KARAMATSU, Jon Riki	√			
7. MORITA, Hermina M.				
8. SONSON, Alex M.	~		C. Promission and make compression	re none series "erot, control must be reason
9. SOUKI, Joseph M.	Y			
10. MARUMOTO, Barbara C.	V	manana ar Lange da Salaya manasa.		
11. STONEBRAKER, Bud				
				A The second
TOTAL	7			4
The recommendation is: Adopted				
□ Not Adopted				
If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				