STAND. COM. REP. NO.5 Honolulu, Hawaii Vam 15, 2013 RE: H.B. No. 1342 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2013 State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Judiciary, to which was referred H.B. No. 1342 entitled:

"A BILL FOR AN ACT RELATING TO DEBT COLLECTION,"

beg leave to report as follows:

The purpose of this measure is to clarify and amend statutory law relating to the collection of delinquent accounts by the Attorney General, including:

- Requiring the Attorney General to collect executive department delinquent accounts that are more than ninety days past due, except for the delinquent accounts of the Department of Taxation and the University of Hawaii;
- (2) Providing for the Attorney General to retain an unspecified percentage of moneys recovered from delinquent accounts for deposit into the newlyestablished Civil Recoveries Fund;
- (3) Providing for the executive departments to retain a percentage of moneys recovered by the Attorney General from respective delinquent accounts; and
- (4) Allowing the Department of Taxation, the University of Hawaii, and the Judiciary to contract with a collection agency to collect delinquent accounts.

HB1342 HD1 HSCR CPC-JUD HMS 2013-2039

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The University of Hawaii testified in support of this measure. The Department of Commerce and Consumer Affairs and the Department of the Attorney General testified in support of the intent of this measure. The Department of Budget and Finance, Department of Agriculture, and an individual testified in opposition of this measure. The Judiciary provided comments on this measure.

Your Committees note that the various executive departments deal with delinquent accounts that are ninety days past due in various capacities and are thus affected differently by this measure, with the Department of Agriculture in particular dealing often with accounts that are ninety days past due. Should the Committee on Finance consider this measure, your Committees respectfully request that the Committee on Finance consider communicating with the various executive departments to determine the amounts collected on delinquent accounts within the ninety-day past due timeframe.

Your Committees have amended this measure by:

- Authorizing any executive agency and the Judiciary to use the Attorney General's delinquent account collection service;
- (2) Removing provisions in the measure that authorize the Attorney General to review delinquent accounts and make determinations on whether or not they are uncollectible; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1342, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1342, H.D. 1, and be referred to the Committee on Finance.



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Respectfully submitted on behalf of the members of the Committees on Consumer Protection & Commerce and Judiciary,

ANGUS L.K. MCKELVEY, Chair

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KARL RHOADS, Chair



State of Hawaii House of Representatives The Twenty-seventh Legislature



## Record of Votes of the Committee on Consumer Protection & Commerce

| Bill/Resolution No.:<br>HIS 1342                                                                                                                                                  | Committee Referral:<br>CPC/JUD, FI | N Date:   | 2/11/13 |         |  |  |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------|---------|---------|--|--|--|
| The committee is reconsidering its previous decision on the measure.                                                                                                              |                                    |           |         |         |  |  |  |
| The recommendation is to:  □  Pass, unamended (as is)  凹  Pass, with amendments (HD)  □  Hold    □  Pass short form bill with HD to recommit for future public hearing (recommit) |                                    |           |         |         |  |  |  |
| CPC Members                                                                                                                                                                       | Ayes                               | Ayes (WR) | Nays    | Excused |  |  |  |
| 1. McKELVEY, Angus L.K. (C)                                                                                                                                                       |                                    |           |         |         |  |  |  |
| 2. KAWAKAMI, Derek S.K. (VC)                                                                                                                                                      |                                    |           |         |         |  |  |  |
| 3. BELATTI, Della Au                                                                                                                                                              |                                    |           |         |         |  |  |  |
| 4. BROWER, Tom                                                                                                                                                                    |                                    |           |         |         |  |  |  |
| 5. CABANILLA, Rida T.R.                                                                                                                                                           |                                    |           |         |         |  |  |  |
| 6. CACHOLA, Romy M.                                                                                                                                                               |                                    |           |         |         |  |  |  |
| 7. CARROLL, Mele                                                                                                                                                                  |                                    |           |         |         |  |  |  |
| 8. EVANS, Cindy                                                                                                                                                                   |                                    |           |         |         |  |  |  |
| 9. HAR, Sharon E.                                                                                                                                                                 |                                    |           |         |         |  |  |  |
| 10. ITO, Ken                                                                                                                                                                      |                                    |           |         | V       |  |  |  |
| 11. LEE, Chris                                                                                                                                                                    |                                    |           |         |         |  |  |  |
| 12. TSUJI, Clift                                                                                                                                                                  |                                    |           |         |         |  |  |  |
| 13. YAMANE, Ryan I.                                                                                                                                                               |                                    |           |         |         |  |  |  |
| 14. MCDERMOTT, Bob                                                                                                                                                                |                                    |           |         |         |  |  |  |
| 15. THIELEN, Cynthia                                                                                                                                                              |                                    |           |         |         |  |  |  |
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| TOTAL (15)                                                                                                                                                                        | 9                                  |           |         | 6       |  |  |  |
| 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) Chief Clerk's Office Duplicate (Pink) – HMSO                                                                        |                                    |           |         |         |  |  |  |

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HSCR 511

## Record of Votes of the Committee on Judiciary

| Bill/Resolution No.:<br>HIJ 1342 Commi                                                                                                                                                                                                                                                  | Committee Referral:<br>CPC/JUD, FIN Date: 2/11/13 |           |      |         |  |  |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-----------|------|---------|--|--|--|
| The committee is reconsidering its previous decision on the measure.                                                                                                                                                                                                                    |                                                   |           |      |         |  |  |  |
| The recommendation is to:  Image: Pass, unamended (as is)  Image: Pass, with amendments (HD)  Image: Hold    Image: Pass short form bill with HD to recommit for future public hearing (recommit)  Image: Pass short form bill with HD to recommit for future public hearing (recommit) |                                                   |           |      |         |  |  |  |
| JUD Members                                                                                                                                                                                                                                                                             | Ayes                                              | Ayes (WR) | Nays | Excused |  |  |  |
| 1. RHOADS, Karl (C)                                                                                                                                                                                                                                                                     |                                                   |           |      |         |  |  |  |
| 2. HAR, Sharon E. (VC)                                                                                                                                                                                                                                                                  |                                                   |           |      |         |  |  |  |
| 3. BELATTI, Della Au                                                                                                                                                                                                                                                                    |                                                   |           |      |         |  |  |  |
| 4. BROWER, Tom                                                                                                                                                                                                                                                                          | /                                                 |           |      |         |  |  |  |
| 5. CABANILLA, Rida T.R.                                                                                                                                                                                                                                                                 |                                                   |           |      | V       |  |  |  |
| 6. CARROLL, Mele                                                                                                                                                                                                                                                                        | <i></i>                                           |           |      |         |  |  |  |
| 7. ITO, Ken                                                                                                                                                                                                                                                                             |                                                   |           |      |         |  |  |  |
| 8. KAWAKAMI, Derek S.K.                                                                                                                                                                                                                                                                 |                                                   |           |      |         |  |  |  |
| 9. LEE, Chris                                                                                                                                                                                                                                                                           |                                                   |           |      |         |  |  |  |
| 10. TSUJI, Clift                                                                                                                                                                                                                                                                        |                                                   |           |      |         |  |  |  |
| 11. WOOLEY, Jessica                                                                                                                                                                                                                                                                     |                                                   |           |      |         |  |  |  |
| 12. MCDERMOTT, Bob                                                                                                                                                                                                                                                                      |                                                   |           | -    |         |  |  |  |
| 13. THIELEN, Cynthia                                                                                                                                                                                                                                                                    |                                                   |           |      |         |  |  |  |
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| TOTAL (13)                                                                                                                                                                                                                                                                              | 7                                                 | 0         | 0    | 6       |  |  |  |
| The recommendation is:  Adopted  Not Adopted    If joint referral,                                                                                                                                                                                                                      |                                                   |           |      |         |  |  |  |
| Vice Chair's or designee's signature:                                                                                                                                                                                                                                                   |                                                   |           |      |         |  |  |  |
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