

Honolulu, Hawaii

FEB 15, 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 Judiciary & Hawaiian Affairs, to which was referred H.B. No. 1643, H.D. 1, 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 United Public Workers, AFSCME Local 646, AFL-CIO; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Your Committee received comments on this measure from the Department of Accounting and General Services.

Your Committee finds that existing law requires that when the State or county mistakenly overpays an employee, the overpayment



gets deducted from the employee's subsequent paycheck. The deduction can be as high as \$1,000, which is more than an entire paycheck for some employees. If the amount is greater than \$1,000, the overpayment essentially becomes a loan the employee did not agree to. Your Committee believes that employees should not be overly burdened for the mistake of the employer. This measure will provide more financial flexibility for employees to repay any overpayment of wages without undue burden.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1643, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



