

ACT 87

S.B. NO. 2332-86

A Bill for an Act Relating to Higher Education.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 231-51, Hawaii Revised Statutes, is amended to read as follows:

“**§231-51 Purpose.** The purpose of sections 231-52 to 231-59 is to permit the retention of state income tax refunds of those persons [owing] who owe a debt to the State [or], who are delinquent in the payment of child support[.], or who have defaulted on an education loan note held by the United Student Aid Funds, Inc.”

SECTION 2. Section 231-52, Hawaii Revised Statutes, is amended as follows:

1. By amending the definition of “claimant agency” to read:

“ “Claimant agency” includes any state agency, board, commission, department, institution, or other state organization, or any subdivision thereof. In the case of delinquent child support, “claimant agency” means the department of social services and housing or an agency under cooperative agreement with the department, whenever the department is required by law to enforce a support order on behalf of an individual. “Claimant agency” includes the department of budget and finance when acting on behalf and at the request of the United Student Aid Funds, Inc. to collect defaulted education loan notes incurred under the federal Higher Education Act of 1965 (Public Law 89-329, 79 Stat. 1219), as amended; provided that the department has a contract with the United Student Aid Funds, Inc. under chapter 309 when acting as a claimant agency.”

2. By amending the definition of “debt” to read:

“ “Debt” includes:

- (1) Any delinquency in periodic court-ordered payments for child support in an amount exceeding the sum of payments which would become due over a one-month period; [and]
- (2) Any liquidated sum exceeding \$25 which is due and owing any claimant agency, regardless of whether there is an outstanding judgment for that sum, and whether the sum has accrued through contract, subrogation, tort, operation of law, or judicial or administrative judgment or order[.]; and
- (3) Any defaulted education loan note held by the United Student Aid Funds, Inc. incurred under the federal Higher Education Act of 1965 (Public Law 89-329, 79 Stat. 1219), as amended.”

3. By amending the definition of “debtor” to read:

“ “Debtor” includes any person [owing] who owes a debt to any claimant agency, [or] who is delinquent in payment of court-ordered child support payments[,] or, who has defaulted on an education loan note held by the United Student Aid Funds, Inc. incurred under the federal Higher Education Act of 1965 (Public Law 89-329, 79 Stat. 1219), as amended.”

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved April 22, 1986.)