

ACT 97

S.B. NO. 1567

A Bill for an Act Relating to Dishonored Checks.

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

SECTION 1. Section 40-35.5, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§40-35.5]] Assessment and collection of service charges for dishonored items.~~ (a) Unless otherwise provided by law or rules having the force and effect of law, every public accountant receiving revenue or other moneys on account of the State shall assess and collect a service charge in the amount of [\$7.50];

(1) \$15 for any check¹; and

(2) \$7.50 for any draft, certificate of deposit, or other negotiable instrument,

the public accountant receives that is dishonored for any reason. A public accountant shall require payment of the service charge in cash or by certified or cashier's check

or by bank or postal money order. The service charge shall be deposited with the director of finance as a realization of the general fund.

(b) The service charge shall be enforced as follows:

(1) For charges due on dishonored checks written for payment of any taxes administered by the department of taxation under title 14, the charges shall be a non-waiverable penalty and shall be made a part of the tax for which the payment was made in the same manner as penalties are made part of the tax under section 231-39; and

(2) For all other charges paid to the State by check, the public accountant shall refer the entire matter, including the initial check and interest on the penalty, to the department of the attorney general for collection.

(c) Interest on the penalty at the rate of two-thirds of one per cent a month or fraction of a month shall be paid for the period beginning the first calendar day after the date of notification from the bank that the check is dishonored to the date paid.

(d) All penalties, including interest thereon, for dishonored checks shall be debts due the State.

(e) Penalties and interest collected for dishonored checks by the department of taxation pursuant to this section shall be collected in the same manner as are taxes under chapter 231. The penalty shall be a realization of the general fund in the same manner as other penalties collected by the department.”

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 3. This Act shall take effect on January 1, 1996.

(Approved June 7, 1995.)

Note

1. Prior to amendment “,” appeared here.