H.B. NO. 3151

A BILL FOR AN ACT

RELATING TO ELECTRONIC PERMITTING FEES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The purpose of this Act is to allow certain environmental programs of the department of health to remove any financial disincentive to conducting electronic business with them.

SECTION 2. Chapter 321, Hawaii Revised Statutes is amended by adding a new section to be appropriately designated and to read as follows:

"**§321- Fees for electronic permits.** (a) Any departmental program that collects fees for the issuance of permits, licenses, certificates, or similar approvals, under chapters 342D, 342H, 342J, 342L, 340E, or 340F, and that is required to deposit those fees to the credit of the general fund, may first deduct any electronic and credit card processing fees and charges to which the department agrees with any electronic services and credit card services providers.

(b) For purposes of this section, the term "credit card" includes credit cards, charge cards, and debit cards.

1 (c) A person making any electronic payment to the
2 department remains liable for the underlying obligation except
3 to the extent that the department realizes final payment of the
4 underlying obligation in cash or the equivalent. If the credit
5 card issuer, bank, or other guarantor of payment in the
6 transaction does not pay the department, then the underlying
7 obligation survives, and the department retains all remedies for
8 enforcement that would have applied if the transaction had not
9 occurred. No contract may modify the provisions of this
10 subsection. This subsection, however, does not make the
11 underlying obligor liable for any electronic or credit card fees
12 paid to an electronic services provider or credit card issuer or
13 party other than the department."
14 SECTION 3. New statutory material is underscored.
15 SECTION 4. This Act shall take effect upon its approval.
16
17 INTRODUCED BY: Calvin K.Y. Say
18 BY REQUEST
JAN 22 2008

H.B. NO. 3151

Report Title:
Electronic Permitting Fees

Description:
Allows certain Department of Health environmental programs to conduct business electronically and withhold sufficient moneys to cover the cost of electronic and credit card provider services.

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JUSTIFICATION SHEET

DEPARTMENT: Health

TITLE: A BILL FOR AN ACT RELATING TO ELECTRONIC PERMITTING FEES.

PURPOSE: To allow, but not require, certain department of health environmental programs to remove any financial disincentives to submitting electronic permit applications and payments to those programs.

MEANS: Add a new section to chapter 321, Hawaii Revised Statutes.

JUSTIFICATION: Electronic permitting and permit fee payments should save considerable staff time and minimize data entry errors. As a pilot, certain department of health environmental programs should be allowed to maximize their use. Those programs operate under chapters 342D, 342H, 342J, 342L, 340E, or 340F, Hawaii Revised Statutes. For example, some department of health environmental programs process hundreds of permits or approval applications each year. Electronic permitting and payment can eliminate or minimize the manual re-entry into computers of information already provided by the applicant. E-permitting would also reduce the extensive accounting paperwork for processing checks.

To maximize the use of an electronic permit application and payments as they become available, the programs would be allowed to avoid a surcharge on applicants who conduct and submit electronic permit applications or payments.

Some statutes require that permit fees be deposited in the general fund and do not allow the department to deduct electronic processing or credit card service fees. For specified programs, the department would

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have the authority to make such deductions and deposit only the net permit fee into the general fund.

Impact on the public: Applicants would pay the same total fees as non-electronic permit applicants and would have the convenience of submitting electronic applications and payments.

Impact on the department and other agencies: Participating departmental programs will save considerable staff time by avoiding manual entry of application data and handling and accounting for payments by check.

GENERAL FUND: The general fund may lose about $29,000, based on current number of applications for the selected environmental programs. E-Hawaii.gov charges about $8.00 per permit as a processing fee, which includes a credit card charge of 3% per transaction based on amount of the transaction.

OTHER FUNDS: None. This bill addresses only fees that are currently deposited into the general fund.

PPBS PROGRAM DESIGNATION: HTH-840.

OTHER AFFECTED AGENCIES:

EFFECTIVE DATE: Upon approval.