

STAND. COM. REP. NO.

2825

Honolulu, Hawaii

MAR 19 2010

RE: H.B. No. 2027
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 2027, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO DISHONORED CHECKS,"

begs leave to report as follows:

The purpose of this measure is to clarify the allowable amount that a payee or holder in due course may charge for a dishonored check by removing the requirement of a reasonableness analysis in determining the maximum penalty for a dishonored check.

Your Committee received testimony in support of this measure from the Consumer Data Industry Association, Retail Merchants of Hawaii, and Legislative Information Services of Hawaii. Testimony with comments was received from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii is one of only six states that currently imposes a reasonableness standard in its statutory penalties for dishonored checks. Your Committee notes that a similar reasonableness standard is currently the subject of multistate, class action litigation in another jurisdiction. In light of Hawaii's minority position and the lack of clarity expressed by the current statute, your Committee finds that it is in the best interest of consumers in the State to remove the

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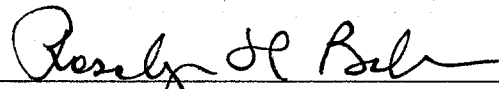


current statutory requirement that penalties for every dishonored check be subject to an individualized reasonableness analysis. Your Committee further finds that Hawaii's maximum penalty of \$30 per returned check, which remains unchanged by this measure, is equal to or lower than charges imposed in other jurisdictions.

Your Committee has amended this measure by changing the effective date to July 1, 2010.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2027, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2027, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



The Senate
 Twenty-Fifth Legislature
 State of Hawaii

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* HB 2027 HDI	Committee Referral: CPN	Date: 3/12/10		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
IGE, David Y. (VC)				✓
ESPERO, Will	✓			
GREEN, M.D., Josh	✓			
IHARA, Jr., Les	✓			
SAKAMOTO, Norman				✓
HEMMINGS, Fred	✓			
TOTAL	5			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">Will Espero</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes