



The Judiciary, State of Hawai'i

Testimony to
The House Committee on Consumer Protection & Commerce
Representative Angus L.K. McKelvey, Chair
Representative Derek S.K. Kawakami, Vice Chair

and

The House Committee on Judiciary
Representative Karl Rhoads, Chair
Representative Sharon E. Har, Vice Chair

Monday, February 11, 2013, 2:30 p.m.
State Capitol, Conference Room 325

By
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Financial Services Director

WRITTEN TESTIMONY ONLY

Bill No. and Title: House Bill No. 1342, Relating to Debt Collection.

Purpose: The purpose of this bill is to establish a civil recoveries fund to be used by the department of the attorney general to pursue collection of delinquent accounts, to authorize the attorney general to prepare lists of delinquent accounts, and to enable the judiciary, department of taxation, and university of Hawaii to contract with collection agencies to collect delinquent accounts.

Judiciary's Position:

The Judiciary does not take a position on House Bill 1342 and offers the following comment. Section 3 of the bill would authorize the Judiciary to contract with a collection agency to collect delinquent accounts. Pursuant to Hawaii Revised Statutes (HRS) section 601-17.5, the Judiciary already has authority to contract with a collection agency or licensed attorney to collect delinquent court-ordered penalties, fines, restitution, sanctions, and court costs. The Judiciary first executed a contract with a collection agency in 2005, and has continued to utilize the



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services of a collection agency since then. Accordingly, there is no need to amend HRS section 40-82.5 to allow the Judiciary to contract with a collection agency.

Thank you for the opportunity to testify on House Bill 1342.