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June 18, 2004

COMPTROLLER'S MEMORANDUM NO. 2004–19

TO: Department Heads

SUBJECT: Quarterly Interest Rate for Late Vendor Payments

Act 213, Session Laws of Hawaii 1996, amended Section 103-10 of the Hawaii Revised Statutes by setting the interest rate for obligations related to goods delivered or services performed that are unpaid after 30 days equal to the prime rate for each calendar quarter plus two percent. The Act limits the interest rate to no more than 12% per annum and allows it to be adjusted quarterly using the prime rate as posted in the Wall Street Journal on the first business day of the month preceding the calendar quarter.

This memorandum is to inform you that the interest rate for the quarter beginning July 1, 2004 and ending September 30, 2004 will be 6.0% per annum. To calculate the daily rate of interest, divide the rate of interest by 365 days.

We will inform you of the effective interest rate at the beginning of each calendar quarter. If you have any questions, please call Mr. Kurt Muraoka of our Systems Accounting Branch at 586-0610.

RUSS K. SAITO
State Comptroller