

Honolulu, Hawaii

MAR 02 2012

RE: S.B. No. 2760
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2760 entitled:

"A BILL FOR AN ACT RELATING TO ESCROW DEPOSITORIES,"

begs leave to report as follows:

The purpose and intent of this measure is to provide the resources and tools necessary to protect consumers of escrow services in an evolving regulatory environment.

Specifically, this measure:

- (1) Amends the bond requirements for escrow depositories;
- (2) Adjusts the fee schedule for services provided to escrow depositories by the Division of Financial Institutions of Department of Commerce and Consumer Affairs; and
- (3) Increases administrative fines for violations of escrow depository regulations.

Your Committee finds that escrow depository fees have not been reviewed in some time and that the fees collected by the Division of Financial Institutions for services provided to escrow depositories no longer reflect the cost of services provided by the Division. Increasing fees will bring them in line with the amount of work that must be performed by the Division. Additionally, your Committee finds that adjusting the bonding requirements will more accurately reflect the increased volume and



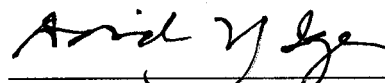
amount of escrow transactions that now take place. Finally, your Committee finds that adjustments to penalty provisions will provide the Division of Financial Institutions with additional tools to ensure compliance with escrow depository regulations.

Your Committee has amended this measure by:

- (1) Adding a savings clause to ensure that the increased penalties provided by the measure are not applied to violations that occurred prior to its effective date;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2760, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2760, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 2760</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPN, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2-24-12</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	.	✓		
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado	✓			
KAHELE, Gilbert	✓			
KOUCHI, Ronald D.	✓			
RYAN, Pohai	✓			
TOKUDA, Jill N.	✓			
WAKAI, Glenn	✓			
SLOM, Sam			✓	
TOTAL	12	1	1	0
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; text-align: center;">Michelle N. Kidani</div>				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

*Only one measure per Record of Votes