STAND. COM. REP. NO.

Honolulu, Hawaii **Chromy 15**, 2013 RE: H.B. No. 837

H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2013 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 837 entitled:

"A BILL FOR AN ACT RELATING TO MONEY TRANSMITTERS,"

begs leave to report as follows:

The purpose of this measure is to support effective enforcement of the Money Transmitter Act, including the supervision, regulation, and examination of money transmitter licensees under the Act, by, among other things:

- Authorizing the Commissioner of Financial Institutions to require licensees to register with the Nationwide Mortgage Licensing System in order to facilitate licensing, oversight, and regulation;
- (2) Establishing procedures that allow licensees to voluntarily surrender their licenses;
- (3) Amending the bond requirement and fee and penalty structure applicable to licensees; and
- (4) Amending certain reporting requirements for licensees.

The Department of Commerce and Consumer Affairs supported this measure.



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Your Committee recognizes the benefits of this measure in supporting effective enforcement and regulation of money transmitters. However, your Committee respectfully requests that the effect of this measure on small business be considered as the measure moves through the legislative process.

Upon consideration, your Committee has amended this measure by:

- Changing the fee amounts for initial and renewed applications, penalties, and other charges related to money transmitter licensure to unspecified amounts;
- (2) Eliminating the authority of the Commissioner of Financial Institutions to waive or modify the requirements in the Money Transmitter Act or establish new requirements in order to participate in the Nationwide Mortgage Licensing System;
- (3) Changing the effective date to July 1, 2112, to facilitate further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 837, H.D. 1, and be referred to the Committee on Finance.

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

ANGUS L.K. MCKELVEY, Chair



State of Hawaii House of Representatives The Twenty-seventh Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 837	Committee Referral: CPC, FIN		Date: 2/11/13	
□ The committee is reconsidering its prev	ious decision on the measure			
	unamended (as is) 🗹 Pas short form bill with HD to reco	ss, with amendments (mmit for future public	-	
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)				
2. KAWAKAMI, Derek S.K. (VC)				
3. BELATTI, Della Au	1			
4. BROWER, Tom			1	
5. CABANILLA, Rida T.R.		un tom	\checkmark	
6. CACHOLA, Romy M.				
7. CARROLL, Mele				
8. EVANS, Cindy	V			
9. HAR, Sharon E.				
10. ITO, Ken				
11. LEE, Chris				
12. TSUJI, Clift	Jok -	• ✓		
13. YAMANE, Ryan I.				
14. MCDERMOTT, Bob				
15. THIELEN, Cynthia				
TOTAL (15)	/ 56	2	2	5
The recommendation is: Adopted If joint referred, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) Commit	ttee Duplicate (Yellow) -	- Chief Clerk's Office	Duplicate (I	Pink) – HMSO