STAND. COM. REP. NO.

164

Honolulu, Hawaii

FEB 1 3 2017

RE: S.B. No. 949

S.D. 1

Honorable Ronald D. Kouchi President of the Senate Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health, to which was referred S.B. No. 949 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to make various updates to the money transmitters law, chapter 489D, Hawaii Revised Statutes, including:

- (1) Clarifying permissible investment requirements for money transmitter licensees;
- (2) Updating requirements for applications, extraordinary reporting requirements, change in control of licensee, and criminal history record checks; and
- (3) Updating various definitions.

Your Committee received testimony in support of this measure from the Division of Financial Institutions of the Department of Commerce and Consumer Affairs.

Your Committee finds that money transmitters are responsible for transmitting billions of dollars for consumers to locations around the world. Improper practices can result in loss of consumer funds and movement of money promoting or derived from unlawful activity. This measure makes various updates to clarify and strengthen Hawaii's Money Transmitters Act, including

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clarifying permissible investment requirements for money transmitter licensees and updating requirements for applications, extraordinary reporting requirements, change in control of licensee, and criminal history record checks. This measure also improves licensee compliance, enhances the Division of Financial Institutions' ability to effectively administer the money transmitters law, ensures the law is more clearly applicable to new technology and creative payment options, and enhances consumer protection by strengthening requirements for background information on persons associated with a money transmitter licensee.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 949, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 949, S.D. 1, and be referred to your Committee on Judiciary and Labor.

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

ROSALYN H. PAKER, Chair

## The Senate Twenty-Ninth Legislature State of Hawaiʻi

## Record of Votes Committee on Commerce, Consumer Protection, and Health CPH

Bill / Resolution No.:*  S6949	Committee Referral: Date: 2/7/17				
The Committee is reconsidering its previous decision on this measure.  If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)					
NISHIHARA, Clarence K. (VC)					
CHANG, Stanley					
ESPERO, Will		/			
IHARA, Jr., Les					_
KIDANI, Michelle N.					
RUDERMAN, Russell E.		/			
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TOTAL		3			2
Recommendation:  Adopted Not Adopted					
Chair's or Designee's Signature:					
<b>Distribution:</b> Original File with Committee Rep	<b>Stribution:</b> Original Yellow Pink Goldenro File with Committee Report Clerk's Office Drafting Agency Committee File				

<sup>\*</sup>Only one measure per Record of Votes