STAND. COM. REP. NO.

1510

Honolulu, Hawaii

MAR 25 ' 2021

RE: S.B. No. 973

S.D. 1 H.D. 2

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 973, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HAWAII MONEY TRANSMITTER ACT," begs leave to report as follows:

The purpose of this measure is to amend the Hawaii Money Transmitters Act by:

- (1) Incorporating definitions of key terms provided in the Model Money Services Business Law published by the Conference of State Bank Supervisors;
- (2) Requiring an applicant for a money transmitter license to submit information concerning any bankruptcy or receivership proceedings;
- (3) Extending the period of an applicant's litigation and criminal conviction history review from five to ten years from the date of the application; and
- (4) Clarifying the authority of the Commissioner of Financial Institutions to examine and investigate licensees or authorized delegates of licensees and participate in nationwide protocols for licensing cooperation and coordination among state regulators.

2021-2780 SB973 HD2 HSCR HMSO

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

Your Committee finds that the money transmission industry has evolved significantly in the fifteen years since the enactment of Hawaii's Money Transmitters Act. The instantaneous global money transmission activity today necessitates additional oversight of money transmitters to provide appropriate consumer protection. This measure ensures that Hawaii can work alongside a network of states to enable timely, coordinated, and efficient regulation of trans-global, regional, and single-state money transmission companies to provide financial stability and economic growth, while also protecting consumers.

Your Committee has amended this measure by changing the effective date to January 1, 2050, to encourage further discussion.

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 S.B. No. 973, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 973, S.D. 1, H.D. 2.

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

JOHANSON, Chair

State of Hawaii House of Representatives The Thirty-first Legislature

HSCR1510

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.:	Committee Referral:	Date:		
SB 973 SDI HDI	ECD, CPC, FIN	3/24/21		
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: ☐ Pass, unamended (as is) ☐ Pass, with amendments (HD) ☐ Hold ☐ Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	V			***
2. KITAGAWA, Lisa (VC)				
2 AQUINO Harry I C				<u></u>
3. AQUINO, Henry J.C.	V			
4. HAR, Sharon E.				
	V			
5. HASHEM, Mark J.	V		i kaleksis ala Jerges jargalah sare	
		.E.,		Lua li mara Jamas I.
6. KONG, Sam Satoru	V			
7. MIZUNO, John M.	V			
8. MORIKAWA, Dee				
9. ONISHI, Richard H.K.				
7. OMSIII, Kicilaru II.K.				
10. TARNAS, David A.			tera est trade a statutur en de deserve estado de debe de adorde	
11. MATSUMOTO, Lauren	V			An expense of Anna 1983, and any State of the 20 m. Annual Samu
TOTAL (11)	11	0	0	0
The recommendation is: Adopted Not Adopted				
If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				