STAND. COM. REP. NO. 214

Honolulu, Hawaii

FEB 1 7 2021

RE: S.B. No. 973

S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 973 entitled:

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

The purpose and intent of this measure is to amend the 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) Adding supporting documentation to be submitted by a license applicant;
- (3) Extending the period of a license applicant's litigation and criminal conviction history review from five to ten years from the date of the application;
- (4) Requiring a license applicant to submit information concerning any bankruptcy or receivership proceedings; and
- (5) Clarifying the authority of the commissioner of financial institutions relating to examinations and

investigations of licensees and to participate in nationwide protocols for licensing cooperation.

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

Your Committee finds that existing law does not provide sufficient flexibility for Hawaii to share supervisory information with other states to swiftly protect consumers who use money transmission companies. The fast-paced nature of money transmissions and innovation of financial technologies necessitates a quicker response. Therefore, this measure adopts certain model act provisions to allow Hawaii to work alongside a network of states to license, supervise, and examine transglobal money transmission companies as a multi-state system to better protect consumers.

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 and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 973, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 973, S.D. 1, and be referred to your Committee on Judiciary.

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

ROSALYN H. BAKER, Chair

The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:* SB973	CPN, JDC			Date: 2-9-2021		
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)			T			
CHANG, Stanley (VC)		/.				
MISALUCHA, Bennette E.						
NISHIHARA, Clarence K.						
RIVIERE, Gil						
SAN BUENAVENTURA, Joy A	١.	/.				
FEVELLA, Kurt						
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TOTAL		7				
Recommendation: Adopted Not Adopted						
Chair's or Designee's Signature: Claurick Disklihere						
Distribution: Original File with Committee Re	Yellow port Clerk's Office		Pink Drafting Agend		Goldenrod Committee File Copy	

*Only one measure per Record of Votes