STAND. COM. REP. NO. 336-22

Honolulu, Hawaii

FEB 15 , 2022

RE: H.B. No. 2113

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2113 entitled:

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

begs leave to report as follows:

The purpose of this measure is to improve efficiency in processing applications for money transmitter applicants by allowing applicants to obtain either a federal or state level criminal background check.

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

Your Committee finds that applicants for money transmitter licenses are required to obtain a federal criminal background check as well as a state level background check. The State became a reporter to the national criminal background database approximately seven years ago. During this time, the Division of Financial Institutions has reviewed parallel state and federal criminal background reviews and has never found discrepancies on disqualifying crimes. This measure therefore minimizes regulatory burden and eliminates redundancy by permitting money transmitter applicants to submit to either a state of federal criminal background review.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (2) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2113, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2113, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

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

AARON LING JOHANSON, Chair

State of Hawaii

Record of Votes of the Committee on Consumer Protection & Commerce

| Bill/Resolution No.: HB 2113 | Committee Referral: こアレ, JHA | Date: | 2-8-22 | |
|--|---------------------------------|--|--|--|
| ☐ 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) | ✓ | | | |
| 2 ETTACAYNA Lice (VC) | | | | |
| 2. KITAGAWA, Lisa (VC) | | | | |
| 3. AQUINO, Henry J.C. | \/ | | | <u> </u> |
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| 4. HAR, Sharon E. | | | National Company | |
| 5. HASHEM, Mark J. | | | | |
| 5. HASHEWI, Walk J. | | Para Caraca | | |
| 6. KONG, Sam Satoru | | er van dikkali kundin minim kiran kulturum vakin mis sek mis kira si | ar de a antidominamente ne tre e e e e e e e e e e e e e e e e e | to communication of the commun |
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| 7. MIZUNO, John M. | | | | |
| 8. MORIKAWA, Dee | \ \ \ | | <u>alantina alita da da</u> | |
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| 9. ONISHI, Richard H.K. | V | | | |
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| 10. TARNAS, David A. | | | | |
| 11. MATSUMOTO, Lauren | | | in in the second se | |
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| TOTAL (11) | 11 | 0 | 0 | 0 |
| The recommendation is: 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 | | | | |