STAND. COM. REP. NO.



Honolulu, Hawaii

FEB 18 , 2023

H.B. No. 1027 RE:

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred H.B. No. 1027 entitled:

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

begs leave to report as follows:

The purpose of this measure is to align the State's money transmitters law with the provisions of the Model Money Transmitters Modernization Act.

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

Your Committee finds that the financial components of the Money Transmitters Modernization Act, established pursuant to chapter 489D, Hawaii Revised Statutes, are outdated and do not provide adequate protection for consumers, considering the evolution of money transmission companies conducting activities worldwide.

Your Committee further finds that this measure will align state law with the provisions of the Conference of State Bank Supervisors Model Money Transmitters Modernization Act and will enable the State to:

- (1) Work within a network of states to license, supervise, and examine transglobal money transmission companies as a multi-state system;
- (2) Enable timely, coordinated, and efficient regulation of money transmission companies that will achieve financial stability and economic growth while providing consumer protection; and
- (3) Allow the State to share resources, data, and technology tools with other states to create a stronger multi-state system of financial regulation.

Your Committee has amended this measure by:

- (1) Changing its effective date to June 30, 3000, 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 Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1027, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1027, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on behalf of the members of the Committee on Economic Development,

DANIEL HOLT, Chair

State of Hawaii House of Representatives The Thirty-second Legislature

HSCR 161

Record of Votes of the Committee on Economic Development

	Committee Referral:		Date: 7/3/2023		
☐ 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)					
ECD Members	Ayes	Ayes (WR)	Nays	Excused	
1. HOLT, Daniel (C)					
2. LAMOSAO, Rachele F. (VC)					
3. HUSSEY-BURDICK, Natalia					
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4. KONG, Sam Satoru			IN ASSETTION OF THE PARTY.	arrigitabilitari wa samayinahadi	
5. NAKAMURA, Nadine K.		THE PARTY OF THE P			
6. QUINLAN, Sean		A TENNETHER ASSESSED.	Harden Versey		
			ALL CONTRACTOR		
7. PIERICK, Elijah					
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TOTAL (7)	V	1	4		
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					