STAND. COM. REP. NO. 75

Honolulu, Hawaii MAR 01 , 2024 -24

RE: H.B. No. 2388 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2388 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 by:

- Including certain receivables under the definition of "permissible investments";
- (2) Clarifying the tangible net worth that a licensed money transmission business in the State shall maintain at all times; and
- (3) Clarifying the application and license fees related to money transmission businesses.

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



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Your Committee finds that this measure incorporates updates from the Model Money Transmitters Modernization Act into existing law to help the Division of Financial Institutions license, regulate, and supervise nationally and globally operating money transmission companies without impacting money transmission businesses that operate regionally or in a single state. This measure will protect customers and consumers by providing assurance that the money transmitter company is operating in a safe and sound manner using national standards.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2388, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2388, H.D. 1, and be placed on the calendar for Third Reading.

> Respectfully submitted on behalf of the members of the Committee on Finance,

KYLE T. YAMASHITA, Chair



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Record of Votes of the Committee on Finance

Bill/Resolution No.: HBAHSB	Committe FIN	ee Referral:	Data O2	. 28 207	24	
The committee is reconsidering its previous decision on the measure.						
The recommendation is to: Image: Pass, unamended (as is) Image: Pass, with amendments (HD) Image: Hold Image: Pass short form bill with HD to recommit for future public hearing (recommit)						
FIN Membe	rs	Ayes	Ayes (WR)	Nays	Excused	
1. YAMASHITA, Kyle T. (C)	V				
2. KITAGAWA, Lisa (VC)		V				
3. AIU, Micah P.K.		\sim				
4. CHUN, Cory M.						
5. COCHRAN, Elle						
6. GARRETT, Andrew Tal	kuya	\checkmark				
7. KAHALOA, Kirstin		V				
8. KILA, Darius K.		✓				
9. KOBAYASHI, Bertrand		V				
10. LAMOSAO, Rachele F.	ur A Maradana and Tana and Tan	· · · ·		-		
11. MORIKAWA, Dee		\checkmark				
12. NISHIMOTO, Scott Y.		V			Annual at the state of Advantage and the state of	
13. POEPOE, Mahina		V				
14. TAKENOUCHI, Jenna		V				
15. ALCOS III, David		V				
16. WARD, Gene		\checkmark				
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TOTAL (16)		15	D	0		
The recommendation is:	he recommendation is: Adopted If joint referral, did not support recommendation.					
Vice Chair's or designee's signature:						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						