

Honolulu, Hawaii
MAR 01 , 2024

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:

- (1) 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.

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



