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:

- Including certain receivables under the definition of (1)"permissible investments";
- 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,

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KYLE T. YAMASHITA, Chair

State of Hawaii House of Representatives The Thirty-second Legislature HSCR 759-24

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB2カ8	Committe FIN	e Referral:	Dat O2	e: _128 201	24
☐ 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)					
FIN Members		Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)		V	6.2.1		
2. KITAGAWA, Lisa (VC)		V			
3. AIU, Micah P.K.		\sim			
4. CHUN, Cory M.		<u> </u>			
5. COCHRAN, Elle					V
6. GARRETT, Andrew Takuya		V	Biographic		
7. KAHALOA, Kirstin					
8. KILA, Darius K.		V			
9. KOBAYASHI, Bertrand					
10. LAMOSAO, Rachele F.		<u> </u>			15 (15 (15 (15 (15 (15 (15 (15 (15 (15 (
11. MORIKAWA, Dee					
12. NISHIMOTO, Scott Y.		<u> </u>	7 8 6 7 4 6 7 8 4 5 6 8 8 7 8 8 9 8 9 8 9 8 9 8 9 8 9 8 9 8 9		
13. POEPOE, Mahina				NCSX III	
14. TAKENOUCHI, Jenna					
15. ALCOS III, David					
16. WARD, Gene		V			
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TOTAL (16)		15	D	0	
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature: Wayshaffw					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					