

Honolulu, Hawaii

MAR - 3 2006

RE: S.B. No. 2143
S.D. 2

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2143, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to regulate the money transmitter industry in Hawaii.

"Money transmission" means to engage in the business of selling or issuing payment instruments or of receiving money or monetary value for transmission to a location within or outside the United States by any and all means, including wire, facsimile, or electronic transfer. Money transmission does not apply to courier services.

Your Committee finds that the regulation of money transmitters is necessary to prevent:

- (1) The laundering of profits of illegal activities such as drug distribution, gambling, and prostitution;
- (2) Consumer losses from fraud and unsound business practices related to wiring money to a location outside the State; and
- (3) Illegal activities related to terrorism that utilize money transmission.



Your Committee finds that the regulation of money transmitters will establish consumer trust, ensure the integrity and fiscal soundness of the industry, and establish standards and criteria to ensure the proper conduct of money transmitters.

Your Committee has amended the bill by:

- (1) Clarifying on page 13, line 13, that the activities referred to in the bill relate to business activities; and
- (2) Making technical nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2143, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2143, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,




BRIAN T. TANIGUCHI, Chair



**The Senate
Twenty-Third Legislature
State of Hawaii**

**Record of Votes of the
Committee on Ways and Means
(Bills and Resolutions)**

Measure:* SB 2143 SD1	Committee Referral: CPH, WAM	Date: 2/23/06		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <input type="checkbox"/> Pass, unamended (2312) <input checked="" type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
TANIGUCHI, Brian T. (C)	/			
TSUTSUI, Shan S. (VC)	/			
ENGLISH, J. Kalani				/
ESPERO, Will	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
INOUE, Lorraine R.				/
KANNO, Brian				/
KIM, Donna Mercado	/			
KOKUBUN, Russell S.				/
NISHIHARA, Clarence K.	/			
SAKAMOTO, Norman	/			
HEMMINGS, Fred				/
SLOM, Sam			/	
TRIMBLE, Gordon			/	
TOTAL	8	0	2	5
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Do not list more than one measure per Record of Votes.