

STAND. COM. REP. NO. 1901

Honolulu, Hawaii

Aj 5, 2007

RE: S.B. No. 1400  
S.D. 2  
H.D. 3

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 1400, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO FINANCIAL ABUSE,"

begs leave to report as follows:

The purpose of this bill is to protect elderly consumers in our communities by requiring financial institutions to report suspected financial abuse directed towards, targeting, or committed against an elder, to law enforcement or the Department of Human Services (DHS), under the authority of part X of Chapter 346, Hawaii Revised Statutes (HRS).

The Department of Commerce and Consumer Affairs, DHS, Hawaii Financial Services Association, and Legal Aid Society of Hawaii supported this bill. The Hawaii Bankers Association supported the intent of this bill. The Attorney General submitted comments.

Your Committee has amended this measure by:

- (1) Removing references to DHS and the authority of part X of Chapter 346, HRS, from this measure;



- (2) Redefining "financial abuse" to mean the wrongful taking, withholding, appropriation, or use of an elder's money, real property, or personal property or any attempt or inducement to commit such acts. Financial abuse may involve coercion, manipulation, threats, intimidation, misrepresentation, or exertion of undue influence;
- (3) Limiting the definitions of "elder" and "financial abuse" to the new section added by this bill, instead of applying them to the entire Code of Financial Institutions, Chapter 412, HRS; and
- (4) Making technical, nonsubstantive changes for style, clarity, and consistency.

Through this amended bill, your Committee has:

- (1) Clarified that this measure applies to "financial institutions" as defined in Chapter 412, HRS, meaning a Hawaii or federal or foreign institution operating in the state;
- (2) Deleted references to Chapter 346, HRS, relating to dependent adults, to allow for easier implementation by financial institutions;
- (3) Limited the mandatory reporting requirements to local law enforcement agencies by deleting the reporting option to DHS; and
- (4) Inserted a clearer, more precise definition of "financial abuse" to provide financial institutions with better criteria in determining whether financial abuse has occurred.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1400, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1400, S.D. 2, H.D. 3.



Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary,

  
TOMMY WAFAER, Chair



