

Honolulu, Hawaii

MAR 02 2007

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

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committees on Commerce, Consumer Protection, and Affordable Housing and Judiciary and Labor, to which was referred S.B. No. 1400, S.D. 1, entitled:

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

beg leave to report as follows:

The purpose of this measure is to require financial institutions to report suspected instances of financial abuse directed towards, targeting, or committed against elders or a dependent adult to a local law enforcement agency.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Department of Human Services, the Hawaii Bankers Association, and two individuals. Comments on this measure were submitted by the Hawaii Financial Services Association and Finance Factors.

Your Committees find that reported instances of financial abuse of elders have become increasingly common and that state-regulated financial institutions can be instrumental in curtailing this disturbing upward trend by reporting suspected incidents of financial abuse.

Your Committees further find that the requirements placed upon financial institutions to report suspected financial abuse should not be unduly burdensome and that financial institutions should be protected from liability when a report of suspected financial abuse is made in good faith.



Therefore, your Committees have amended this measure by:

- (1) Providing a safe harbor provision for the financial institutions to protect them from litigation when filing a report of suspected abuse in good faith;
- (2) Clarifying that the trigger for reporting suspected abuse is a good faith belief;
- (3) Providing financial institutions with the option of reporting suspected financial abuse to the Department of Human Services, as well as any local law enforcement agency;
- (4) Changing the time period for reporting, in writing, suspected financial abuse from two days to five days;
- (5) Deleting the provisions related to dependent adults; and
- (6) Clarifying that the report is made by the financial institution and not by the officer or the employee.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1400, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1400, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committees on Commerce,  
Consumer Protection, and  
Affordable Housing and  
Judiciary and Labor,



CLAYTON HEE, Chair



BRIAN T. TANIGUCHI, Chair





The Senate  
Twenty-Fourth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Judiciary and Labor**  
**JDL**

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>SB 1400 SDI</i>	<i>HSP, CPH/JDL</i>	<i>2/27/07</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<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	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
KOKUBUN, Russell S. (VC)				✓
INOUE, Lorraine R.	✓			
NISHIHARA, Clarence K.	✓			
GABBARD, Mike	✓			
<b>TOTAL</b>	<i>4</i>			<i>1</i>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Clarence K. Nishihara</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency		

\*Only one measure per Record of Votes