

Honolulu, Hawaii

FEB 28 2008

RE: S.B. No. 3008  
S.D. 2

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred  
S.B. No. 3008, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE CODE OF FINANCIAL  
INSTITUTIONS,"

begs leave to report as follows:

The purpose of this measure is to streamline and update the  
Code of Financial Institutions under chapter 412, Hawaii Revised  
Statutes, by eliminating obsolete requirements and improving the  
procedures for the licensing and regulation of financial  
institutions in Hawaii by the Department of Commerce and Consumer  
Affairs, Division of Financial Institutions.

Specifically, this measure:

- (1) Requires financial services loan companies to  
conspicuously display their licenses;
- (2) Addresses temporary closures of Hawaii financial  
institutions during emergencies;
- (3) Clarifies the authority of a person to serve as a trustee  
or trust company;
- (4) Clarifies how prepayment penalties are calculated;
- (5) Clarifies when the Commissioner of Financial Institutions  
may examine a financial institution holding company;



- (6) Places a Hawaii licensed foreign bank on equal footing with a Hawaii state-chartered financial institution when relocating its place of business less than a mile from its existing location; and
- (7) Allows greater access to records by State of Hawaii inspectors.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and Hawaii Financial Services Association.

Your Committee finds that this measure will reduce regulatory burden where significant consumer interests are not adversely affected, update the Code of Financial Institutions to recognize changes in the industry and make needed clarifications, and provide more flexibility in supervising and regulating the financial institutions industry.

Your Committee has amended this measure by:

- (1) Deleting all provisions relating to criminal history record checks;
- (2) Changing the effective date to July 1, 2050, for purposes of facilitating further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3008, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3008, S.D. 2.

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



BRIAN T. TANIGUCHI, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

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

Bill / Resolution No.:* <b>SB 3008 SDI</b>	Committee Referral: <b>CPH, JDL</b>	Date: <b>2-22-08</b>
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The committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:  
 Pass, unamended 2312   
 Pass, with amendments 2311   
 Hold 2310   
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, BRIAN T. (C)	✓			
HEE, Clayton (VC)				✓
GABBARD, Mike	✓			
KOKUBUN, Russell S.				✓
NISHIHARA, Clarence K.	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>

Recommendation:  Adopted     Not Adopted

Chair's or Designee's Signature:  


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\*Only one measure per Record of Votes