

STAND. COM. REP. NO. 2456

Honolulu, Hawaii

FEB 15 2008

RE: S.B. No. 3009
S.D. 1

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

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred S.B. No. 3009 entitled:

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

begs leave to report as follows:

The purpose of this measure is to effectively regulate the
money transmitter industry by amending the Money Transmitters Act
under chapter 489D, Hawaii Revised Statutes.

Specifically, this measure amends chapter 489D, Hawaii
Revised Statutes, to:

- (1) Amend the application and licensing fee structure;
- (2) Enhance consumer protection;
- (3) Make necessary clarifications; and
- (4) Remedy inadvertent errors or omissions.

Testimony in support of this measure was submitted by the
Department of Commerce and Consumer Affairs. Testimony in
opposition to this measure was submitted by the Money Services
Round Table.

Money transmitters sell payment instruments, such as money
orders, or receive money for transmission to other locations
within the United States or overseas. In 2006, the Legislature

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enacted Act 143, Session Laws of Hawaii 2006, which required money transmitters to be licensed and regulated by the Division of Financial Institutions of the Department of Commerce and Consumer Affairs. Currently, there are a little more than forty licensed money transmitters in Hawaii.

Your Committee finds that amending the Money Transmitters Act will provide further clarity and efficiency in the licensing and regulation of money transmitters in Hawaii. Your Committee recognizes the concerns raised in the testimony opposing this measure, especially with respect to the amended fee structure, and encourages continued discussion on these matters with the Committee on Judiciary and Labor and the Committee on Ways and Means.

Accordingly, your Committee has amended this measure by:

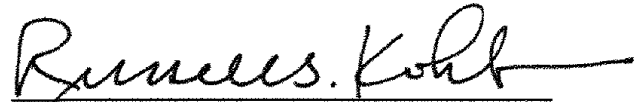
- (1) Amending the fee structure to provide:
 - (A) An application, license, or renewal license fee of \$2,000;
 - (B) An additional application, license, or renewal license fee of \$300 for each additional location in the State; and
 - (C) A maximum fee of \$15,000 for applications, licenses, or license renewals;
- (2) Deleting language that allows the Commissioner of Financial Institutions to establish a greater fee for applications, licenses, or license renewals by rule;
- (3) Inserting language that clarifies that, with respect to financial institutions as authorized delegates, when computing the application and license fees, the applicant or licensee that appoints an authorized delegate shall exclude all of the locations in the State where the authorized delegate will conduct its authorized delegate activities; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.



Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to effectively regulate the money transmitter industry.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3009, S.D. 1, and be referred to the Committees on Judiciary and Labor and Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Affordable
Housing,



RUSSELL S. KOKUBUN, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:*	Committee Referral:	Date:
SB 3009	CPH, JDL/WAM	2-12-08

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
KOKUBUN, Russell S. (C)	✓			
IGE, David Y. (VC)				✓
ESPERO, Will				✓
IHARA, Jr., Les	✓			
SAKAMOTO, Norman	✓			
TANIGUCHI, BRIAN T.				✓
TRIMBLE, Gordon		✓		
TOTAL	3	1	0	3

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: *[Handwritten Signature]*

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*Only one measure per Record of Votes