

Honolulu, Hawaii

March 22, 2012

RE: S.B. No. 2762
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2762, 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 enhance regulation of money transmitters, including their involvement with home mortgages, in order to protect Hawaii consumers by, among other things:

- (1) Allowing the Commissioner of Financial Institutions (Commissioner) to become involved with the Nationwide Mortgage Licensing System and Registry;
- (2) Increasing the nonrefundable application fee that a money transmitter must pay;
- (3) Raising the license-renewal fees that money transmitters must pay, based on the number of annualized money transmissions;
- (4) Increasing the nonrefundable application fee that a money transmitter must pay to the Commissioner to change its name, fictitious name, or trade name;



- (5) Raising the nonrefundable application fee that a money transmitter must pay to the Commissioner to request approval of a proposed change of control of the money transmitter;
- (6) Increasing the amount of the fine that the Commissioner may assess against a person who violates Chapter 489D, Hawaii Revised Statutes (HRS), (pertaining to money transmitters);
- (7) Clarifying that the Commissioner may adopt rules pursuant to Chapter 91, HRS, as the Commissioner deems necessary for administration and enforcement purposes; and
- (8) Authorizing the Commissioner to raise or lower any fee by rule and to establish new fees by rule.

The Department of Commerce and Consumer Affairs testified in support of this measure.

Your Committee has amended this bill by replacing its contents with that of H.B. No. 2500, H.D. 1, which is substantially the same except that it:

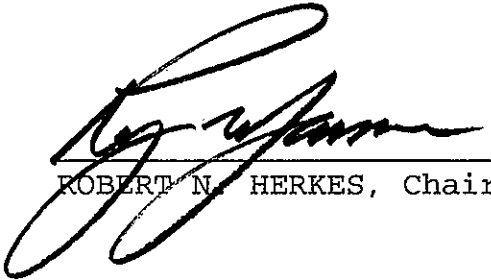
- (1) Removes the Commissioner's authority to raise by rule the nonrefundable application fee that a money transmitter must pay to the Commissioner to change its name, fictitious name, or trade name;
- (2) Prohibits the Commissioner from raising or lowering any fee by rule or from establishing new fees by rule;
- (3) Changes the effective date to July 1, 3000, to encourage further discussion; and
- (4) Makes technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee has further amended this bill by leaving proposed fee amounts blank.



As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2762, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2762, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROBERT N. HERKES, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 2762 SD1
Committee Referral: CPC, FIN
Date: 3/12/12

The committee is reconsidering its previous decision on the measure.
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)	/			
2. YAMANE, Ryan I. (VC)	/			
3. BROWER, Tom	/			
4. CABANILLA, Rida T.R.	/			
5. CARROLL, Mele				/
6. COFFMAN, Denny				/
7. ITO, Ken				/
8. KEITH-AGARAN, Gilbert S.C.	/			
9. LUKE, Sylvia				/
10. McKELVEY, Angus L.K.				/
11. SOUKI, Joseph M.	/			
12. TSUJI, Cliff	/			
13. CHING, Corinne W.L.		/		
14. MARUMOTO, Barbara C.	/			
15. THIELEN, Cynthia				/
TOTAL (15)	8	1		4

The recommendation is: Adopted Not Adopted
If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: *[Signature]*