

STAND. COM. REP. NO.

2145

Honolulu, Hawaii

FEB 14 2012

RE: S.B. No. 2762

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2762 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to provide the Commissioner of Financial Institutions with the authority to require money transmitters to register with the Nationwide Mortgage Licensing System, amend the fee structure for services provided by the Division of Financial Institutions for the regulation of money transmitters, and amend the fine for violations of money transmitter regulations.

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

Your Committee finds that the Division of Financial Institutions in the Department of Commerce and Consumer Affairs regulates money transmitter companies that transfer money domestically or internationally outside of the conventional financial institutions system. The Division's regulations protect the consumer by ensuring that these companies understand the rules and responsibilities regarding money transmission and can provide services for their customers accordingly.

Your Committee further finds that there has been a national discussion about the possibility of requiring money transmitters to register with the Nationwide Mortgage Licensing System. This



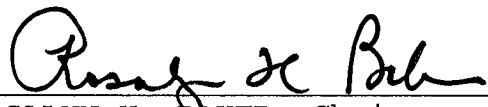
measure would provide the Commissioner of Financial Institutions with the authority to mandate this registration if necessary.

Your Committee additionally finds that the Division of Financial Institutions has been inundated with new money transmitter applications. Many of these companies are off-shore and require more complex review and analysis by the Division. This measure adjusts the fees to reflect the additional time and effort it takes to review new applications. This measure also adjusts fees for the review of renewal applications, amends the time required to provide mandated services to money transmitter companies, and amends the fine for violations of money transmitter regulations.

The Division of Financial Institutions estimates additional revenues of \$346,500, based on the proposed annual fee provisions in this measure. The proposed annual fee is calculated by the time it takes to review an application multiplied by \$60 an hour.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2762 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

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



ROSALYN H. BAKER, Chair



