

Honolulu, Hawaii
February 15, 2013

RE: H.B. No. 837
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 837 entitled:

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

begs leave to report as follows:

The purpose of this measure is to support effective enforcement of the Money Transmitter Act, including the supervision, regulation, and examination of money transmitter licensees under the Act, by, among other things:

- (1) Authorizing the Commissioner of Financial Institutions to require licensees to register with the Nationwide Mortgage Licensing System in order to facilitate licensing, oversight, and regulation;
- (2) Establishing procedures that allow licensees to voluntarily surrender their licenses;
- (3) Amending the bond requirement and fee and penalty structure applicable to licensees; and
- (4) Amending certain reporting requirements for licensees.

The Department of Commerce and Consumer Affairs supported this measure.



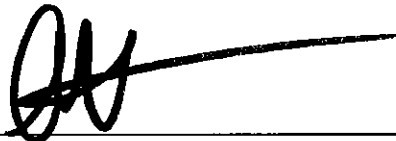
Your Committee recognizes the benefits of this measure in supporting effective enforcement and regulation of money transmitters. However, your Committee respectfully requests that the effect of this measure on small business be considered as the measure moves through the legislative process.

Upon consideration, your Committee has amended this measure by:

- (1) Changing the fee amounts for initial and renewed applications, penalties, and other charges related to money transmitter licensure to unspecified amounts;
- (2) Eliminating the authority of the Commissioner of Financial Institutions to waive or modify the requirements in the Money Transmitter Act or establish new requirements in order to participate in the Nationwide Mortgage Licensing System;
- (3) Changing the effective date to July 1, 2112, to facilitate further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 H.B. No. 837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 837, 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,



ANGUS L.K. MCKELVEY, Chair



