

Honolulu, Hawaii

APR 25 2013

RE: S.B. No. 1067
S.D. 2
H.D. 1
C.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

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

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1067, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ESCROW DEPOSITORIES,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Update the escrow depositories law to more realistically address the current responsibilities and operations of escrow depositories; and
- (2) Adjust fees for escrow depositories to reflect the risk based approach of supervision and the additional regulation and monitoring required of the Division of Financial Institutions of the Department of Commerce and Consumer Affairs.



Your Committee on Conference finds that the last significant revision to the State's escrow depositories law, codified as chapter 449, Hawaii Revised Statutes, was more than twenty-five years ago. Today's escrow depositories are handling larger and more sophisticated financial transactions, and certain changes to the escrow depositories law are therefore needed to better regulate the industry and protect consumers. Your Committee on Conference further finds that this measure provides the Division of Financial Institutions with meaningful tools and needed funding to oversee and regulate the escrow depository industry and safeguard the rights of the public.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have defined the term "examination and investigation", as this term does not appear elsewhere in this measure or in chapter 449, Hawaii Revised Statutes;
- (2) Inserting an effective date of upon approval; provided that sections 4, 7, and 8 of this measure shall take effect on January 1, 2014; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1067, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1067, S.D. 2, H.D. 1, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



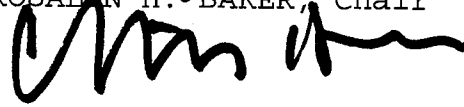
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