

STAND. COM. REP. NO.

950

Honolulu, Hawaii

March 14, 2013

RE: S.B. No. 1068
S.D. 2

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

Sir:

Your Committee on Economic Development & Business, to which was referred S.B. No. 1068, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to enable the Commissioner of Financial Institutions to more effectively regulate, supervise, and examine the money transmitters industry by, among other things:

- (1) Authorizing the Commissioner to require money transmitter licensees to register with the National Mortgage Licensing System (NMLS);
- (2) Creating a process for licensees to voluntarily surrender their licenses;
- (3) Increasing the amounts of the surety bonds required of licensees;
- (4) Authorizing the Commissioner to enter into agreements with NMLS with regard to regulation of the money transmitter industry;
- (5) Increasing the application, initial license, name change, and change of control fees for licensees;

SB1068 SD2 HSCR EDB HMS 2013-2646



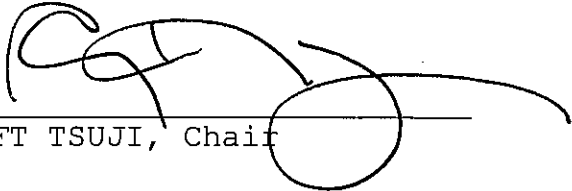
- (6) Establishing a schedule of renewal fees for money transmitter licenses based upon the number of a licensee's annualized money transmissions;
- (7) Increasing the penalty amount that can be assessed per day of noncompliance with the licensing parameters; and
- (8) Providing for background checks of money transmitter licensees.

The Commissioner of Financial Institutions testified on behalf of the Department of Commerce and Consumer Affairs in support of this measure.

Your Committee finds it prudent at this time to move this bill forward as-is, but highly recommends that the Commissioner of Financial Institutions work closely with the Chair of your Committee on Consumer Protection & Commerce regarding the Division of Financial Institution's cash flow analysis and how the change in fee structure will affect the Department's operating costs.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1068, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business,

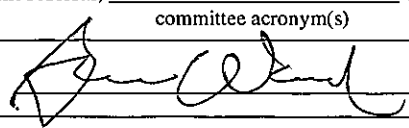


CLIFT TSUJI, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: SB1068, SD2	Committee Referral: EDB, CPC, FIN	Date: 3/12/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	✓			
2. WARD, Gene (VC)			✓	
3. BROWER, Tom	✓			
4. CACHOLA, Romy M.		✓		
5. CHOY, Isaac W.				✓
6. OHNO, Takashi		✓		
7. ONISHI, Richard H.K.	✓			
8. TAKAYAMA, Gregg	✓			
9. TOKIOKA, James Kunane	✓			
TOTAL (9)	5	2	1	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				