

Honolulu, Hawaii

February 11, 2013

RE: H.B. No. 840

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. 840 entitled:

"A BILL FOR AN ACT RELATING TO FINANCIAL INSTITUTIONS,"

begs leave to report as follows:

The purpose of this measure is to modernize the Code of Financial Institutions to reflect changes to federal banking laws, including:

- (1) Strengthening and clarifying the powers of the Commissioner of Financial Institutions to oversee the industry and to administer and enforce pertinent laws; and
- (2) The adjustment of fees for financial institutions to accommodate additional regulation and monitoring of the industry.

The Department of Commerce and Consumer Affairs testified in support of this measure. The Hawaii Bankers Association provided comments.

Your Committee finds that the last comprehensive review of Hawaii laws relating to financial institutions was in 1993. In 2012, the Commissioner of Financial Institutions met with representatives of the financial institutions industry to review and update the State's banking laws to reflect changes to federal



law. This measure implements the recommendations produced from those meetings.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2112, to encourage further discussion on this measure; and
- (2) 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. 840, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 840, 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



