

STAND. COM. REP. NO. 1414

Honolulu, Hawaii
April 4, 2013

RE: S.B. No. 1067
S.D. 2
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 Finance, to which was referred S.B. No. 1067, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to update the laws regulating escrow depositories by, among other things:

- (1) Expanding the powers of the Commissioner of Financial Institutions (Commissioner) to supervise, regulate, and examine escrow depositories;
- (2) Requiring the Commissioner to report violations of federal or state law to the applicable federal authority;
- (3) Increasing various fees, penalty amounts, and coverage requirements, including administrative fines, enhanced penalties for violations directed at elders, net capital requirements, fidelity bond requirements, insurance coverage requirements, and licensing fee amounts;
- (4) Imposing new advance requirements for notice to the Commissioner in situations where designated escrow officers are terminated or replaced and providing for circumstances where advance notice is not possible;

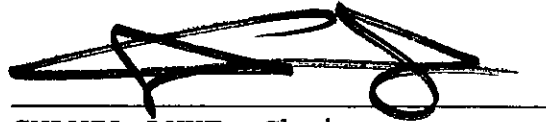


- (5) Imposing a fee of \$5,000 for the transfer and change in control through transfer of stock in a corporate escrow depository licensee; and
- (6) Specifying that the effective date of increased insurance and security requirements shall take effect on the date of the renewal of existing security devices, but not later than July 1, 2014.

The Department of Commerce and Consumer Affairs testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1067, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



