

STAND. COM. REP. NO. 211

Honolulu, Hawaii

FEB 12 2013

RE: S.B. No. 511

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

Madam:

Your Committees on Commerce and Consumer Protection and Technology and the Arts, to which was referred S.B. No. 511 entitled:

"A BILL FOR AN ACT RELATING TO UNIFORM COMMERCIAL CODE ARTICLE 4A,"

beg leave to report as follows:

The purpose and intent of this measure is to clarify the relationship between the Uniform Commercial Code article 4A and the federal Electronic Fund Transfer Act.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs and the Commission to Promote Uniform Legislation.

Your Committees find that article 4A of the Uniform Commercial Code, codified as chapter 490:4A, Hawaii Revised Statutes, was originally drafted to govern transfers between commercial parties. At that time, the federal Electronic Funds Transfer Act only governed consumer wire transfers. Because the Uniform Commercial Code section 4A-108 was drafted based on the Electronic Funds Transfer Act's original scope, it excludes any funds transfer governed in any part by the Electronic Funds Transfer Act.

Your Committees further find that amendments made to the Electronic Funds Transfer Act by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 will cause the Electronic Funds Transfer Act to govern a broader category of remittance

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transfers even if they are not electronic funds transfers under the Electronic Funds Transfer Act. Under the current Uniform Commercial Code section 4A-108, certain types of remittance transfers will not be subject to either Uniform Commercial Code article 4A or the rules applicable to electronic funds transfers under the Electronic Funds Transfer Act. The amendments proposed by this measure are necessary to eliminate the gap in the governing law between the Uniform Commercial Code article 4A and the Electronic Funds Transfer Act.

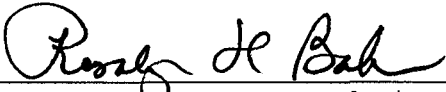
As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 511 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Commerce and  
Consumer Protection and  
Technology and the Arts,



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GLENN WAKAI, Chair



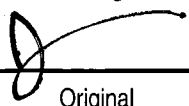
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ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <b>SB 511</b>	Committee Referral: <b>CPN/TEC, WAM</b>	Date: <b>2/6/13</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
GALUTERIA, Brickwood (VC)	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama	✓			
TANIGUCHI, Brian T.	✓			
WAKAI, Glenn	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	<b>7</b>			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes

The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Technology and the Arts**  
**TEC**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 511	CPN/TEC, WAM	2/6/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	/			
NISHIHARA, Clarence K. (VC)	/			
GABBARD, Mike	/			
TOKUDA, Jill N.				/
SLOM, Sam	/			
<b>TOTAL</b>	4	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Clarence K. Nishihara</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

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