

Honolulu, Hawaii

**February 12**, 2016

RE: H.B. No. 2167  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2167 entitled:

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

begs leave to report as follows:

The purpose of this measure is to update various provisions relating to financial institutions by removing conflicts with other statutory provisions, clarifying unclear language, and repealing the inactive Credit Union Advisory Board.

Specifically, this measure:

- (1) Changes the semiannual payment dates for financial institutions;
- (2) Repeals various fees that are included elsewhere in statute or are outdated;
- (3) Aligns fees to more closely match financial institution requirements;
- (4) Clarifies that a Hawaii office of an out-of-state bank must pay a fee to establish an additional branch;
- (5) Clarifies requirements for an intra-Pacific bank to acquire the assets of, take control of, or merge with a Hawaii bank; and



(6) Repeals the Credit Union Advisory Board.

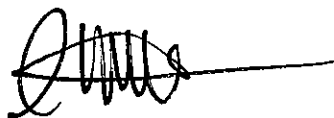
The Department of Commerce and Consumer Affairs and the Hawaii Bankers Association submitted testimony in support of the measure.

Your Committee finds that this measure will remove conflicting and overlapping fees established by chapter 412, Hawaii Revised Statutes. Your Committee further finds that extending the due dates for financial institutions to make semiannual assessment payments will allow the Department of Commerce and Consumer Affairs Division of Financial Institutions more time to calculate the assessments and send billing letters. Your Committee notes that the Credit Union Advisory Board has been inactive since 2010 and there are no state-chartered credit unions in the State. Accordingly, your Committee finds that the Credit Union Advisory Board should be repealed.

Your Committee has amended this measure by changing the effective date to July 1, 2112, to facilitate further discussion on the measure.

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. 2167, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2167, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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ANGUS L.K. MCKELVEY, Chair



