Honolulu, Hawaii Rebram 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- (2) Repeals various fees that are included elsewhere in statute or are outdated;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

HB2167 HD1 HSCR LRB 16-0941.doc

(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 Accordingly, your Committee finds that the Credit Union Advisory Board should be repealed.

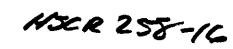
Your Committee has amended this measure by changing the effective date to July 1, 2112, to facilitate further discussion on the measure.

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,

ANGUS L.K. McKELVEY, Chair

State of Hawaii House of Representatives The Twenty-eighth Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: H& 2\67	Committee Referral:	Date:	2-8-1	6
☐ The committee is reconsidering its previ			~ 0	
		, with amendments (HD) 🗖 Ho	.d
-	hort form bill with HD to recom	•	•	nit)
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	/			
2. WOODSON, Justin H. (VC)				
3. BELATTI, Della Au	/			
4. BROWER, Tom				
5. CREAGAN, Richard P.				/
6. HAR, Sharon E.	/			
7. HASHEM, Mark J.	/			
8. KAWAKAMI, Derek S.K.				/
9. LEE, Chris	/			
10. NAKASHIMA, Mark M.				
11. OSHIRO, Marcus R.	/			
12. SAN BUENAVENTURA, Joy A.				
13. TAKAYAMA, Gregg	/			
14. YAMANE, Ryan I.			, , , ,	1
15. FUKUMOTO CHANG, Beth				
16. McDERMOTT, Bob				
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TOTAL (16)	10	0	0	6
The recommendation is: Mathematical Adopted Not Adopted				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				