

Honolulu, Hawaii
February 19, 2016

RE: H.B. No. 2319

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. 2319 entitled:

"A BILL FOR AN ACT RELATING TO MONEY TRANSMITTERS,"

begs leave to report as follows:

The purpose of this measure is to improve the State's regulation of money transmitter licensees.

More specifically, this measure:

- (1) Broadens the class of persons who may submit an application for approval of a change in control of a money transmitter licensee to include persons other than the licensee;
- (2) Requires persons applying to assume control of a money transmitter licensee to authorize criminal history record checks and pay applicable fees; and
- (3) Updates a reference to the agency that administers an applicable federal regulation, from the Federal Reserve Board to the Consumer Financial Protection Bureau.

Your Committee received written testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that, under existing law, only a money transmitter licensee may apply for a change in control of a money



transmitter license. This limitation makes a change in control impossible in situations in which the licensee may be uncooperative.

Your Committee further finds that requiring persons who apply for control of a money transmitter licensee to authorize criminal history record checks and pay applicable fees to finance the record checks would provide important information to enable the Commissioner of Financial Institutions to determine whether those persons possess the character and general fitness to lawfully and properly control the licensee without jeopardizing the interest of the public.

Your Committee also finds that updating the name of the federal agency that oversees an applicable federal regulation, from the Federal Reserve Board to the Consumer Financial Protection Bureau, is necessary to avoid confusion.

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. 2319 and recommends that it pass Second Reading 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



