

STAND. COM. REP. NO.

3464

Honolulu, Hawaii

APR 08 2016

RE: H.B. No. 2319
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
H.B. No. 2319, H.D. 1, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to amend requirements under the money transmitters law for money transmitter licensee change in control applications and update a reference to federal Regulation E.

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

Your Committee finds that under the existing money transmitters law, only a money transmitter licensee may submit an application to the Commissioner of Financial Institutions requesting approval for a proposed change in control of the money transmitter licensee. This is impracticable in hostile takeover situations in which a licensee may be uncooperative. Accordingly, this measure expands the class of persons who may apply for the Commissioner's approval of a change in control. This measure also enhances consumer protection by enabling the Division of Financial Institutions of the Department of Commerce and Consumer Affairs to conduct criminal history record checks on persons assuming control of the money transmitter licensee, which will enable the Commissioner to determine whether the persons requesting approval of the change in control possess the requisite character and



general fitness to properly and lawfully control the licensee without jeopardizing the interests of the public.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2319, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



GILBERT S.C. KEITH-AGARAN, Chair



