

---

---

# A BILL FOR AN ACT

RELATING TO MONEY TRANSMITTERS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Section 489D-4, Hawaii Revised Statutes, is  
2 amended as follows:

3 1. By adding a new definition of "decentralized virtual  
4 currency" to read:

5 "Decentralized virtual currency" means a medium of  
6 exchange that:

7 (1) Does not have legal tender status in any jurisdiction;

8 (2) Does not have a central repository or single  
9 administrator;

10 (3) May act as a substitute for, have an equivalent value  
11 in, or be converted to or exchanged for legal tender  
12 in at least one jurisdiction world-wide;

13 (4) Is electronically transmitted between parties without  
14 an intermediary; and

15 (5) Relies on cryptographic software protocols for  
16 currency generation and validation of transactions."



1           2. By amending the definition of "money transmission to  
2 read:

3           ""Money transmission" means to engage in the business of:

4           (1) Selling or issuing payment instruments; or

5           (2) Receiving money or monetary value for transmission to  
6           a location within or outside the United States by any  
7           and all means, including wire, facsimile, or  
8           electronic transfer.

9 Money transmission does not apply to courier services~~[.]~~ or to  
10 selling, issuing, or receiving decentralized virtual currency or  
11 decentralized virtual currency value for transmission to any  
12 location by any means."

13           3. By amending the definition of "outstanding payment  
14 instrument" to read:

15           ""Outstanding payment [~~instrument~~] obligation" means  
16 [~~any~~]:

17           (1) Any payment instrument issued by the licensee that has  
18           been sold in the United States:

19           ~~[(1)]~~ (A) Directly by the licensee; or



1        [~~(2)~~] (B) By an authorized delegate of the licensee in the  
2    United States, which has been reported to the  
3    licensee as having been sold,  
4    and that has not yet been paid by or for the  
5    licensee~~[-]~~; and

6        (2) All other outstanding money transmission obligations  
7    of the licensee issued in the United States."

8        4. By amending the definition of "payment instrument" to  
9 read:

10                ""Payment instrument" means any electronic or written  
11 check, draft, money order, traveler's check, or other electronic  
12 instrument or written instrument or order for the transmission  
13 or payment of money, sold or issued to one or more persons,  
14 whether or not the instrument is negotiable. The term "payment  
15 instrument" does not include any credit card voucher, any letter  
16 of credit, [~~or~~] any instrument that is redeemable by the issuer  
17 in goods or services~~[-]~~, or any instrument or order for the  
18 transmission, sale, or payment of decentralized virtual  
19 currency."

20        5. By amending the definition of "person" to read:



1        "Person" means any individual, partnership, limited  
2 liability company, association, joint-stock association, trust,  
3 ~~[or]~~ corporation~~[-]~~, or other entity, however organized."

4        6. By amending the definition of "principal" to read:

5        "Principal" means any person, or group of persons acting  
6 in concert, who exercises control over or has a twenty-five per  
7 cent ownership interest or more in an applicant or licensee  
8 under this chapter. Principal also includes a manager ~~[and~~  
9 ~~anyone else who supervises or is in charge of the applicant or~~  
10 ~~licensee.]~~ and executive officers."

11        7. By repealing the definition of "key shareholder".

12        ~~["Key shareholder" means any person, or group of persons~~  
13 ~~acting in concert, who is the owner of twenty five per cent or~~  
14 ~~more of any voting class of an applicant's stock."]~~

15        SECTION 2. Section 489D-5, Hawaii Revised Statutes, is  
16 amended by amending subsection (a) to read as follows:

17        "(a) This chapter shall not apply to:

- 18        (1) The United States or any department, agency, or
- 19            instrumentality thereof;
- 20        (2) The United States Postal Service;
- 21        (3) The State or any political subdivisions thereof; ~~[and]~~



1 (4) The electronic transfer of government benefits for any  
2 federal, state, or county governmental agency as  
3 defined in Consumer Financial Protection Bureau  
4 Regulation E, by a contractor for, and on behalf of  
5 the United States or any department, agency, or  
6 instrumentality thereof, or any state or any political  
7 subdivisions thereof[-]; and

8 (5) The sale, receipt, storage, or transfer of  
9 decentralized virtual currency; provided that this  
10 paragraph shall not affect the status or any  
11 obligation under federal law of any person that  
12 engages in any transaction or activity involving  
13 decentralized virtual currency."

14 SECTION 3. Section 489D-8, Hawaii Revised Statutes, is  
15 amended to read as follows:

16 "[~~§~~489D-8] **Permissible investments and statutory**

17 **trust.** (a) A licensee, at all times, shall possess permissible  
18 investments having an aggregate market value, calculated in  
19 accordance with generally accepted accounting principles, of not  
20 less than the aggregate amount of all outstanding payment  
21 [~~instruments issued or sold by the licensee in the United~~



1 ~~States.]~~ obligations. This requirement may be waived by the  
2 commissioner if the dollar volume of a licensee's outstanding  
3 payment [~~instruments~~] obligations does not exceed the bond or  
4 other security devices posted by the licensee pursuant to  
5 section 489D-7.

6 (b) Permissible investments, even if commingled with other  
7 assets of the licensee, shall be held in trust for the benefit  
8 of the purchasers and holders of the licensee's outstanding  
9 payment [~~instruments~~] obligations in the event of the bankruptcy  
10 of the licensee."

11 SECTION 4. Section 489D-9, Hawaii Revised Statutes, is  
12 amended by amending subsection (d) to read as follows:

13 "(d) An application for a license under this chapter shall  
14 be made in writing, and in a form prescribed by NMLS or by the  
15 commissioner. Each application shall contain the following:

16 (1) For all applicants:

17 (A) The exact name of the applicant, any fictitious  
18 or trade name used by the applicant in the  
19 conduct of its business, the applicant's  
20 principal address, and the location of the  
21 applicant's business records;



- 1           (B) The history of the applicant's material
- 2                   litigation and criminal convictions for the five-
- 3                   year period prior to the date of the application;
- 4           (C) A description of the business activities
- 5                   conducted by the applicant and a history of
- 6                   operations;
- 7           (D) A description of the business activities in which
- 8                   the applicant seeks to engage within the State;
- 9           (E) A list identifying the applicant's proposed
- 10                   authorized delegates in the State, if any, at the
- 11                   time of the filing of the license application;
- 12           (F) A sample authorized delegate contract, if
- 13                   applicable;
- 14           (G) A sample form of payment instrument, if
- 15                   applicable;
- 16           (H) The locations where the applicant and its
- 17                   authorized delegates, if any, propose to conduct
- 18                   their licensed activities in the State;
- 19           (I) The name and address of the clearing bank or
- 20                   banks on which the applicant's payment



- 1 instruments will be drawn or through which  
2 payment instruments will be payable;
- 3 (J) Disclosure of any pending or final suspension,  
4 revocation, or other enforcement action by any  
5 state or governmental authority for the five-year  
6 period prior to the date of the application; and
- 7 (K) Any other information the commissioner may  
8 require;
- 9 (2) If the applicant is a corporation, the applicant shall  
10 also provide:
- 11 (A) The date of the applicant's incorporation and  
12 state of incorporation;
- 13 (B) A certificate of good standing from the state in  
14 which the applicant was incorporated;
- 15 (C) A description of the corporate structure of the  
16 applicant, including the identity of any parent  
17 or subsidiary company of the applicant, and the  
18 disclosure of whether any parent or subsidiary  
19 company is publicly traded on any stock exchange;
- 20 (D) The name, business and residence address, and  
21 employment history, for the past five years, of





1 the applicant's [~~executive officers, and the~~  
2 ~~officers or managers who will be in charge of the~~  
3 ~~applicant's activities to be licensed under this~~  
4 ~~chapter;~~] principals, and each person who upon  
5 approval of the application will be a principal  
6 of the licensee;

7 [~~(E)~~] ~~The name, business and residence address, and~~  
8 ~~employment history of any key shareholder of the~~  
9 ~~applicant, for the period of five years before~~  
10 ~~the date of the application;~~

11 [~~(F)~~] (E) For the five-year period prior to the date  
12 of the application, the history of material  
13 litigation involving, and criminal convictions  
14 of, [~~every executive officer or key shareholder~~]  
15 each principal of the applicant;

16 [~~(G)~~] (F) A copy of the applicant's most recent  
17 audited financial statement, including balance  
18 sheets, statements of income or loss, statements  
19 of changes in shareholder equity and statements  
20 of changes in financial position, and, if  
21 available, the applicant's audited financial



1 statements for the preceding two-year period or,  
2 if the applicant is a wholly owned subsidiary of  
3 another corporation, either the parent  
4 corporation's consolidated audited financial  
5 statements for the current year and for the  
6 preceding two-year period, or the parent  
7 corporation's Form 10-K reports filed with the  
8 United States Securities and Exchange Commission  
9 for the prior three years in lieu of the  
10 applicant's financial statements, or if the  
11 applicant is a wholly owned subsidiary of a  
12 corporation having its principal place of  
13 business outside the United States, similar  
14 documentation filed with the parent corporation's  
15 non-United States regulator;

16 [~~(H)~~] (G) Copies of all filings, if any, made by the  
17 applicant with the United States Securities and  
18 Exchange Commission, or with a similar regulator  
19 in a country other than the United States, within  
20 the year preceding the date of filing of the  
21 application; and



- 1           ~~[(H)]~~ (H) Information necessary to conduct a criminal  
2           history record check in accordance with section  
3           846-2.7 of each ~~[of the executive officers, key~~  
4           ~~shareholders, and managers who will be in charge~~  
5           ~~of the applicant's activities,]~~ person who upon  
6           approval of the application will be a principal  
7           of the licensee, accompanied by the appropriate  
8           payment of the applicable fee for each record  
9           check; and
- 10          (3) If the applicant is not a corporation, the applicant  
11          shall also provide:
- 12           (A) The name, business and residence address,  
13           personal financial statement, and employment  
14           history, for the past five years, of each  
15           principal of the applicant;
- 16           (B) The name, business and residence address, and  
17           employment history, for the past five years, of  
18           any other persons who upon approval of the  
19           application will be [in charge of the applicant's  
20           ~~activities to be licensed under this chapter;]~~ a  
21           principal of the licensee;



- 1 (C) The place and date of the applicant's  
2 registration or qualification to do business in  
3 this State;
- 4 (D) The history of material litigation and criminal  
5 convictions for the five-year period before the  
6 date of the application for each [~~individual~~  
7 ~~having any ownership interest in~~] principal of  
8 the applicant [~~and each individual who exercises~~  
9 ~~supervisory responsibility over the applicant's~~  
10 ~~activities~~];
- 11 (E) Copies of the applicant's audited financial  
12 statements, including balance sheets, statements  
13 of income or loss, and statements of changes in  
14 financial position for the current year and, if  
15 available, for the preceding two-year period; and
- 16 (F) Information necessary to conduct a criminal  
17 history record check in accordance with section  
18 846-2.7 of each principal of the applicant,  
19 accompanied by the appropriate payment of the  
20 applicable fee for each record check."



1 SECTION 5. Section 489D-12, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3 "(b) The annual license fee shall be accompanied by a  
4 report, in a form prescribed by the commissioner, which shall  
5 include:

- 6 (1) A copy of the licensee's most recent audited annual  
7 financial statement, including balance sheets,  
8 statement of income or loss, statement of changes in  
9 shareholder's equity, and statement of cash flows or,  
10 if a licensee is a wholly owned subsidiary of another  
11 corporation, the consolidated audited annual financial  
12 statement of the parent corporation in lieu of the  
13 licensee's audited annual financial statement;
- 14 (2) For the most recent quarter for which data is  
15 available prior to the date of filing the annual  
16 report, but in no event more than one hundred twenty  
17 days prior to the renewal date, the licensee shall  
18 provide the number of money transmissions sold,  
19 issued, or received for transmission by the licensee  
20 in the State, the dollar amount of those  
21 transmissions, and the dollar amounts of outstanding



- 1           payment [~~instruments currently outstanding,~~  
2           obligations;
- 3           (3) Any material changes to any of the information  
4           submitted by the licensee on its original application  
5           that have not previously been reported to the  
6           commissioner on any other report required to be filed  
7           under this chapter;
- 8           (4) For the most recent quarter for which data is  
9           available prior to the date of filing the annual  
10          report, but in no event more than one hundred twenty  
11          days prior to the renewal date, a list of the  
12          licensee's permissible investments, including the  
13          total market value of each type of permissible  
14          investment, and the total dollar amount of all  
15          outstanding payment [~~instruments issued or sold by the~~  
16          ~~licensee in the United States,~~] obligations;
- 17          (5) A list of the locations, if any, within this State  
18          where business regulated by this chapter is being  
19          conducted by either the licensee or the licensee's  
20          authorized delegates;



1 (6) Disclosure of any pending or final suspension,  
2 revocation, or other enforcement action by any state  
3 or governmental authority;

4 (7) The licensee's evidence of a valid bond or other  
5 security device as required pursuant to section  
6 489D-7; and

7 (8) Any other information the commissioner may require.

8 A license may be renewed by filing a renewal statement on a  
9 form prescribed by NMLS or by the commissioner and paying a  
10 renewal fee at least four weeks prior to the renewal date for  
11 licensure for the following year."

12 SECTION 6. Section 489D-14, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 "**§489D-14 Extraordinary reporting requirements.** Within  
15 fifteen business days of the occurrence of any one of the events  
16 listed below, a licensee shall file a written report with the  
17 commissioner describing the event and its expected impact on the  
18 licensee's activities in this State. These events are:

19 (1) Any material change in information provided in a  
20 licensee's application or annual report;



- 1 (2) The filing for bankruptcy or reorganization by the  
2 licensee;
- 3 (3) Pending or final revocation, suspension, or other  
4 enforcement action against the licensee by any state  
5 or governmental authority relating to the licensee's  
6 money transmission activities;
- 7 (4) Any felony indictment of the licensee or any of its  
8 [~~key shareholders,~~] principals[~~, executive officers,~~  
9 ~~or officers or managers in charge of the licensee's~~  
10 ~~activities,~~] related to money transmission activities;  
11 and
- 12 (5) Any felony conviction of the licensee or any of its  
13 [~~key shareholders,~~] principals[~~, executive officers,~~  
14 ~~or officers or managers in charge of the licensee's~~  
15 ~~activities,~~] related to money transmission  
16 activities."

17 SECTION 7. Section 489D-15, Hawaii Revised Statutes, is  
18 amended by amending subsection (b) to read as follows:

19 "(b) After review of a request for approval under  
20 subsection (a), the commissioner may require the licensee or  
21 person or group of persons requesting approval of a proposed





1 change of control of the licensee, or both, to provide  
2 additional information concerning the persons who are to assume  
3 control of the licensee. The additional information shall be  
4 limited to similar information required of the licensee or  
5 persons in control of the licensee as part of its original  
6 license or renewal application under sections 489D-9 and  
7 489D-12. The information shall include the history of the  
8 material litigation and criminal convictions of [~~the persons who~~  
9 ~~are to assume control~~] each person who upon approval of the  
10 application for change of control will be a principal of the  
11 licensee, for the five-year period prior to the date of the  
12 application for change of control of the licensee, and  
13 authorizations necessary to conduct criminal history record  
14 checks of such persons [~~who are to assume control of the~~  
15 ~~licensee~~], accompanied by the appropriate payment of the  
16 applicable fee for each record check."

17 SECTION 8. Section 489D-18, Hawaii Revised Statutes, is  
18 amended by amending subsection (a) to read as follows:

19 "(a) Each licensee shall make, keep, preserve, and make  
20 available for inspection by the commissioner the following  
21 books, accounts, and other records for a period of three years:



- 1 (1) A record or records of each payment instrument;
- 2 (2) A general ledger containing all assets, liability,
- 3 capital, income, and expense accounts that shall be
- 4 posted at least monthly;
- 5 (3) Bank statements and bank reconciliation records;
- 6 (4) Records of all outstanding payment [~~instruments;~~
- 7 obligations;
- 8 (5) Records of each payment instrument paid within the
- 9 three-year period;
- 10 (6) A list of the names and addresses of all of the
- 11 licensee's authorized delegates; and
- 12 (7) Any other records the commissioner reasonably requires
- 13 by rule adopted pursuant to chapter 91."

14 SECTION 9. Section 489D-22.5, Hawaii Revised Statutes, is  
15 amended by amending subsection (b) to read as follows:

16 "(b) Notice pursuant to this section shall be provided at  
17 least thirty days before the surrender of the license and shall  
18 include:

- 19 (1) The date of surrender;
- 20 (2) The name, address, telephone number, facsimile number,
- 21 and electronic address of a contact individual with



1 knowledge and authority sufficient to communicate with  
2 the commissioner regarding all matters relating to the  
3 licensee during the period that it was licensed  
4 pursuant to this chapter;

5 (3) The reason or reasons for surrender;

6 (4) Total dollar amount of the licensee's outstanding  
7 payment [~~instruments~~] obligations sold in Hawaii and  
8 the individual amounts of each outstanding  
9 [~~instrument,~~] payment obligation, and the name,  
10 address, and contact phone number of the licensee to  
11 which each outstanding [~~instrument~~] payment obligation  
12 was assigned;

13 (5) A list of the licensee's Hawaii authorized delegates,  
14 if any, as of the date of surrender; and

15 (6) Confirmation that the licensee has notified each of  
16 its Hawaii authorized delegates, if any, that they may  
17 no longer conduct money transmissions on the  
18 licensee's behalf.

19 Voluntary surrender of a license shall be effective upon  
20 the date of surrender specified on the written notice to the  
21 commissioner as required by this section; provided that the



1 licensee has met all the requirements of voluntary surrender and  
2 has returned the original license issued."

3 SECTION 10. Section 846-2.7, Hawaii Revised Statutes, is  
4 amended by amending subsection (b) to read as follows:

5 "(b) Criminal history record checks may be conducted by:

- 6 (1) The department of health or its designee on operators  
7 of adult foster homes for individuals with  
8 developmental disabilities or developmental  
9 disabilities domiciliary homes and their employees, as  
10 provided by section 321-15.2;
- 11 (2) The department of health or its designee on  
12 prospective employees, persons seeking to serve as  
13 providers, or subcontractors in positions that place  
14 them in direct contact with clients when providing  
15 non-witnessed direct mental health or health care  
16 services as provided by section 321-171.5;
- 17 (3) The department of health or its designee on all  
18 applicants for licensure or certification for,  
19 operators for, prospective employees, adult  
20 volunteers, and all adults, except adults in care, at  
21 healthcare facilities as defined in section 321-15.2;



- 1           (4) The department of education on employees, prospective  
2           employees, and teacher trainees in any public school  
3           in positions that necessitate close proximity to  
4           children as provided by section 302A-601.5;
- 5           (5) The counties on employees and prospective employees  
6           who may be in positions that place them in close  
7           proximity to children in recreation or child care  
8           programs and services;
- 9           (6) The county liquor commissions on applicants for liquor  
10          licenses as provided by section 281-53.5;
- 11          (7) The county liquor commissions on employees and  
12          prospective employees involved in liquor  
13          administration, law enforcement, and liquor control  
14          investigations;
- 15          (8) The department of human services on operators and  
16          employees of child caring institutions, child placing  
17          organizations, and foster boarding homes as provided  
18          by section 346-17;
- 19          (9) The department of human services on prospective  
20          adoptive parents as established under section  
21          346-19.7;



- 1       (10) The department of human services or its designee on  
2            applicants to operate child care facilities, household  
3            members of the applicant, prospective employees of the  
4            applicant, and new employees and household members of  
5            the provider after registration or licensure as  
6            provided by section 346-154, and persons subject to  
7            section 346-152.5;
- 8       (11) The department of human services on persons exempt  
9            pursuant to section 346-152 to be eligible to provide  
10           child care and receive child care subsidies as  
11           provided by section 346-152.5;
- 12       (12) The department of health on operators and employees of  
13           home and community-based case management agencies and  
14           operators and other adults, except for adults in care,  
15           residing in community care foster family homes as  
16           provided by section 321-15.2;
- 17       (13) The department of human services on staff members of  
18           the Hawaii youth correctional facility as provided by  
19           section 352-5.5;
- 20       (14) The department of human services on employees,  
21           prospective employees, and volunteers of contracted



1 providers and subcontractors in positions that place  
2 them in close proximity to youth when providing  
3 services on behalf of the office or the Hawaii youth  
4 correctional facility as provided by section 352D-4.3;  
5 (15) The judiciary on employees and applicants at detention  
6 and shelter facilities as provided by section 571-34;  
7 (16) The department of public safety on employees and  
8 prospective employees who are directly involved with  
9 the treatment and care of persons committed to a  
10 correctional facility or who possess police powers  
11 including the power of arrest as provided by section  
12 353C-5;  
13 (17) The board of private detectives and guards on  
14 applicants for private detective or private guard  
15 licensure as provided by section 463-9;  
16 (18) Private schools and designated organizations on  
17 employees and prospective employees who may be in  
18 positions that necessitate close proximity to  
19 children; provided that private schools and designated  
20 organizations receive only indications of the states



- 1 from which the national criminal history record  
2 information was provided pursuant to section 302C-1;
- 3 (19) The public library system on employees and prospective  
4 employees whose positions place them in close  
5 proximity to children as provided by section  
6 302A-601.5;
- 7 (20) The State or any of its branches, political  
8 subdivisions, or agencies on applicants and employees  
9 holding a position that has the same type of contact  
10 with children, vulnerable adults, or persons committed  
11 to a correctional facility as other public employees  
12 who hold positions that are authorized by law to  
13 require criminal history record checks as a condition  
14 of employment as provided by section 78-2.7;
- 15 (21) The department of health on licensed adult day care  
16 center operators, employees, new employees,  
17 subcontracted service providers and their employees,  
18 and adult volunteers as provided by section 321-15.2;
- 19 (22) The department of human services on purchase of  
20 service contracted and subcontracted service providers  
21 and their employees serving clients of the adult





1 protective and community services branch, as provided  
2 by section 346-97;

3 (23) The department of human services on foster grandparent  
4 program, senior companion program, and respite  
5 companion program participants as provided by section  
6 346-97;

7 (24) The department of human services on contracted and  
8 subcontracted service providers and their current and  
9 prospective employees that provide home and community-  
10 based services under section 1915(c) of the Social  
11 Security Act, title 42 United States Code section  
12 1396n(c), or under any other applicable section or  
13 sections of the Social Security Act for the purposes  
14 of providing home and community-based services, as  
15 provided by section 346-97;

16 (25) The department of commerce and consumer affairs on  
17 proposed directors and executive officers of a bank,  
18 savings bank, savings and loan association, trust  
19 company, and depository financial services loan  
20 company as provided by section 412:3-201;



- 1 (26) The department of commerce and consumer affairs on  
2 proposed directors and executive officers of a  
3 nondepository financial services loan company as  
4 provided by section 412:3-301;
- 5 (27) The department of commerce and consumer affairs on the  
6 original chartering applicants and proposed executive  
7 officers of a credit union as provided by section  
8 412:10-103;
- 9 (28) The department of commerce and consumer affairs on:
- 10 (A) Each principal of every non-corporate applicant  
11 for a money transmitter license;
- 12 (B) [~~The executive officers, key shareholders, and~~  
13 ~~managers in charge of a money transmitter's~~  
14 ~~activities of every] Each person who upon  
15 approval of an application by a corporate  
16 applicant for a money transmitter license [ ~~and~~]  
17 will be a principal of the licensee; and~~
- 18 (C) [~~The persons who are to assume control of a money~~  
19 ~~transmitter licensee in connection with] Each  
20 person who upon approval of an application  
21 requesting approval of a proposed change in~~



1 control of licensee[7] will be a principal of the  
2 licensee,

3 as provided by sections 489D-9 and 489D-15;

4 (29) The department of commerce and consumer affairs on  
5 applicants for licensure and persons licensed under  
6 title 24;

7 (30) The Hawaii health systems corporation on:

8 (A) Employees;

9 (B) Applicants seeking employment;

10 (C) Current or prospective members of the corporation  
11 board or regional system board; or

12 (D) Current or prospective volunteers, providers, or  
13 contractors,

14 in any of the corporation's health facilities as  
15 provided by section 323F-5.5;

16 (31) The department of commerce and consumer affairs on:

17 (A) An applicant for a mortgage loan originator  
18 license; and

19 (B) Each control person, executive officer, director,  
20 general partner, and manager of an applicant for  
21 a mortgage loan originator company license,



- 1 as provided by chapter 454F;
- 2 (32) The state public charter school commission or public  
3 charter schools on employees, teacher trainees,  
4 prospective employees, and prospective teacher  
5 trainees in any public charter school for any position  
6 that places them in close proximity to children, as  
7 provided in section 302D-33;
- 8 (33) The counties on prospective employees who work with  
9 children, vulnerable adults, or senior citizens in  
10 community-based programs;
- 11 (34) The counties on prospective employees for fire  
12 department positions which involve contact with  
13 children or vulnerable adults;
- 14 (35) The counties on prospective employees for emergency  
15 medical services positions which involve contact with  
16 children or vulnerable adults;
- 17 (36) The counties on prospective employees for emergency  
18 management positions and community volunteers whose  
19 responsibilities involve planning and executing  
20 homeland security measures including viewing,  
21 handling, and engaging in law enforcement or



1 classified meetings and assisting vulnerable citizens  
2 during emergencies or crises;

3 (37) The State and counties on employees, prospective  
4 employees, volunteers, and contractors whose position  
5 responsibilities require unescorted access to secured  
6 areas and equipment related to a traffic management  
7 center;

8 (38) The State and counties on employees and prospective  
9 employees whose positions involve the handling or use  
10 of firearms for other than law enforcement purposes;

11 (39) The State and counties on current and prospective  
12 systems analysts and others involved in an agency's  
13 information technology operation whose position  
14 responsibilities provide them with access to  
15 proprietary, confidential, or sensitive information;

16 (40) The department of commerce and consumer affairs on  
17 applicants for real estate appraiser licensure or  
18 certification as provided by chapter 466K;

19 (41) The department of health or its designee on all  
20 license applicants, licensees, employees, contractors,  
21 and prospective employees of medical marijuana



1 dispensaries, and individuals permitted to enter and  
2 remain in medical marijuana dispensary facilities as  
3 provided under sections 329D-15(a)(4) and  
4 329D-16(a)(3);

5 (42) The department of commerce and consumer affairs on  
6 applicants for nurse licensure or license renewal,  
7 reactivation, or restoration as provided by sections  
8 457-7, 457-8, 457-8.5, and 457-9;

9 [†] (43) [†] The county police departments on applicants for  
10 permits to acquire firearms pursuant to section 134-2  
11 and on individuals registering their firearms pursuant  
12 to section 134-3;

13 [†] (44) [†] The department of commerce and consumer affairs on:

14 (A) Each of the controlling persons of the applicant  
15 for licensure as an escrow depository, and each  
16 of the officers, directors, and principals who  
17 will be in charge of the escrow depository's  
18 activities upon licensure; and

19 (B) Each of the controlling persons of an applicant  
20 for proposed change in control of an escrow  
21 depository licensee, and each of the officers,



1 directors, and principals who will be in charge  
2 of the licensee's activities upon approval of  
3 such application,  
4 as provided by chapter 449; and  
5 ~~(45)~~ Any other organization, entity, or the State, its  
6 branches, political subdivisions, or agencies as may  
7 be authorized by state law."

8 SECTION 11. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10 SECTION 12. This Act shall take effect on September 1,  
11 2017; provided that section 5 shall take effect on November 1,  
12 2017, for all licensees that are licensed under chapter 489D,  
13 Hawaii Revised Statutes, as of July 1, 2017.



**Report Title:**

Money Transmitters; Change in Control; Division of Financial Institutions; Criminal History Record Check; Outstanding Payment Instruments

**Description:**

Clarifies the money transmitters law; updates requirements for license and change in control applications, criminal background checks, security devices, permissible investments, records, and voluntary surrender of license. Exempts transactions and activities for decentralized virtual currency. (SB949 HD1 PROPOSED)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

