

Honolulu, Hawaii

FEB 13 2017

RE: S.B. No. 949
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 949 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 make various
updates to the money transmitters law, chapter 489D, Hawaii
Revised Statutes, including:

- (1) Clarifying permissible investment requirements for money
transmitter licensees;
- (2) Updating requirements for applications, extraordinary
reporting requirements, change in control of licensee,
and criminal history record checks; and
- (3) Updating various definitions.

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

Your Committee finds that money transmitters are responsible
for transmitting billions of dollars for consumers to locations
around the world. Improper practices can result in loss of
consumer funds and movement of money promoting or derived from
unlawful activity. This measure makes various updates to clarify
and strengthen Hawaii's Money Transmitters Act, including

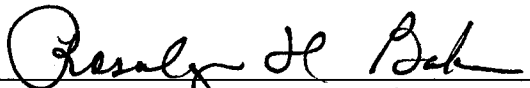


clarifying permissible investment requirements for money transmitter licensees and updating requirements for applications, extraordinary reporting requirements, change in control of licensee, and criminal history record checks. This measure also improves licensee compliance, enhances the Division of Financial Institutions' ability to effectively administer the money transmitters law, ensures the law is more clearly applicable to new technology and creative payment options, and enhances consumer protection by strengthening requirements for background information on persons associated with a money transmitter licensee.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 949, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 949, S.D. 1, and be referred to your Committee on Judiciary and Labor.

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



ROSALYN H. BAKER, Chair



