

STAND. COM. REP. NO.

651

Honolulu, Hawaii

February 15, 2019

RE: H.B. No. 1125

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Intrastate Commerce, to which was referred
H.B. No. 1125 entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS,"

begs leave to report as follows:

The purpose of this measure is to establish the operating
budget for the fiscal biennium beginning July 1, 2019, and ending
June 30, 2021, for financial services regulation within the
Department of Commerce and Consumer Affairs.

Testimony in support of this measure was submitted by the
Department of Commerce and Consumer Affairs.

Your Committee recognizes that the Division of Financial
Institutions provides supervision, regulation, and examination of
all state-chartered and state-licensed financial institutions,
including banks, foreign banking agencies and representative
offices, savings banks, trust companies, financial services, loan
companies, and credit unions. Your Committee also recognizes that
the division does not receive any general funds. Instead, the
division's revenue derives from assessments and fees paid by
state-licensed financial institutions, escrow depositories, money
transmitters, mortgage servicers, mortgage loan originators, and



mortgage loan originator companies, as well as a portion of the franchise tax.

Your Committee finds that:

- (1) The Division of Financial Institutions has an unencumbered balance of \$11,209,350; and
- (2) The mortgage loan recovery fund has an unencumbered cash balance of \$1,990,715.

Your Committee has amended this measure by adding provisions that:

- (1) Repeal the existing statutory requirement that \$2,000,000 of certain taxes collected on bank and financial corporations be deposited to the credit of the compliance resolution fund;
- (2) Require adjustments to fees and assessments collected by the Division of Financial Institutions based upon the amount of moneys credited to the division in the compliance resolution fund;
- (3) Require the Commissioner of Financial Institutions to adjust fees or cease collection of payments when the mortgage loan recovery fund attains a funding level of \$750,000; and
- (4) Make technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Intrastate Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1125, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1125, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Intrastate
Commerce,



TAKASHI OHNO, Chair



