

Honolulu, Hawaii

FEB 07 , 2020

RE: H.B. No. 2317
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Human Services & Homelessness, to which was referred H.B. No. 2317 entitled:

"A BILL FOR AN ACT RELATING TO SECURITIES,"

begs leave to report as follows:

The purpose of this measure is to protect vulnerable adults from financial exploitation in relation to securities.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Department of Human Services, Securities Industry and Financial Markets Association, Securities Industry Association of Hawaii, and one individual. Your Committee received comments on this measure from the Executive Office of Aging, NAIFA Hawaii, and Civil Beat Law Center for the Public Interest.

Your Committee finds that protecting the State's seniors and vulnerable adults from financial exploitation is vital to the community. Increasing the number of reports of suspected financial exploitation cases will eliminate or at least minimize financial losses while also preserving the dignity, financial independence and control, and overall quality of life of vulnerable adults.



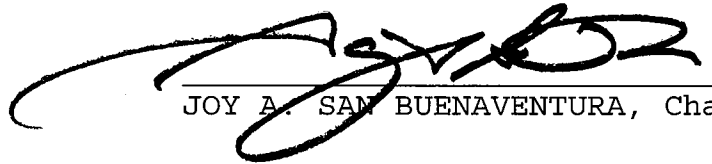
Your Committee has amended this measure by:

- (1) Clarifying that a qualified person may, rather than shall, notify the Commissioner of Securities of a reasonable belief that financial exploitation of a vulnerable adult has occurred;
- (2) Clarifying the individuals who have immunity as a result of disclosure of information concerning the financial exploitation of a vulnerable adult;
- (3) Specifying the individuals that a qualified person may notify if the qualified person has a reasonable belief that financial exploitation has occurred;
- (4) Clarifying that only a broker-dealer or investment adviser may initiate an internal review relating to suspected financial abuse of a vulnerable adult;
- (5) Adding qualified individuals to the persons who are immune from liability for delaying disbursements;
- (6) Clarifying the confidentiality requirements for records made available pursuant to this measure;
- (7) Changing the effective date to December 31, 2059, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2317, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2317, H.D. 1, and be referred to your Committees on Consumer Protection & Commerce and Judiciary.



Respectfully submitted on
behalf of the members of the
Committee on Human Services &
Homelessness,



JOY A. SAN BUENAVENTURA, Chair



Record of Votes of the Committee on Human Services & Homelessness

Bill/Resolution No.: HB 2317	Committee Referral: HSH, CPC/JUD, FIN	Date: 2/5/2020		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HSH Members	Ayes	Ayes (WR)	Nays	Excused
1. SAN BUENAVENTURA, Joy A. (C)	✓			
2. NAKAMURA, Nadine K. (VC)	✓			
3. BELATTI, Della Au	✓			
4. KOBAYASHI, Bertrand	✓			
5. MIZUNO, John M.	✓			
6. SAY, Calvin K.Y.	✓			
7. TOKIOKA, James Kunane	✓			
8. WARD, Gene	✓			
TOTAL (8)	8			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align:center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>Nadine K. Nakamura</i></u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				