

STAND. COM. REP. NO.

296

Honolulu, Hawaii

, 2021

FEB 17

RE: H.B. No. 940

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred H.B. No. 940 entitled:

"A BILL FOR AN ACT RELATING TO SECURITIES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Mandate the reporting of suspected financial exploitation of elders and vulnerable adults in relation to securities by broker-dealers and investment advisors;
- (2) Provide immunity for good faith reporting; and
- (3) Authorize the delay of disbursements or transactions in situations of suspected financial exploitation.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Securities Industry Association of Hawaii, NAIFA Hawaii, Hawaii Credit Union League, and Securities Industry and Financial Markets Association. Your Committee received comments on this measure from the Department of Human Services and Office of Information Practices.

2021-1402 HB940 HD1 HSCR HMSO



Your Committee finds that existing state law requires financial institutes to report suspected instances of financial abuse to the Department of Human Services only when the suspected financial abuse is directed toward, targeted, or committed against a person who is sixty-two years of age or older. Your Committee believes that expanding the mandated reporting requirements to include vulnerable adults as well as those over sixty-two years of age will assist in the early detection of financial abuse and increase the likelihood that an elder or vulnerable adult's assets can be protected or recovered.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (2) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 940, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 940, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

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


AARON LING JOHANSON, Chair



State of Hawaii
House of Representatives
The Thirty-first Legislature **HSCR 296**

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB940	Committee Referral: CPC, JHA	Date: 2/5/2021		
<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)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HAR, Sharon E.	✓			
5. HASHEM, Mark J.				✓
6. KONG, Sam Satoru	✓			
7. MIZUNO, John M.	✓			
8. MORIKAWA, Dee	✓			
9. ONISHI, Richard H.K.	✓			
10. TARNAS, David A.	✓			
11. MATSUMOTO, Lauren	✓			
TOTAL (11)	10	0	0	1
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>Lisa Kitagawa</i></u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				