

Honolulu, Hawaii

APR 22 2021

RE: S.B. No. 973
S.D. 1
H.D. 2
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

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

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 973, S.D. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HAWAII MONEY TRANSMITTER ACT,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Amend the Money Transmitters Act;
- (2) Incorporate definitions of key terms provided in the Model Money Services Business Law;
- (3) Add supporting documentation required to be submitted by an applicant for licensure;



- (4) Extend the period of an applicant's litigation and criminal conviction history review from five years to ten years from the date of the application;
- (5) Require an applicant to submit information concerning any bankruptcy or receivership proceedings; and
- (6) Clarify the authority of the Commissioner of Financial Institutions to examine and investigate licensees and participate in nationwide protocols for licensing cooperation.

Your Committee on Conference finds that the money transmission industry has evolved since the enactment of Hawaii's Money Transmitter Act in 2006. The current fast-paced nature of money transmission and the increased innovation of financial technologies necessitates additional oversight of money transmitters to ensure appropriate consumer protection. This measure adopts certain model act provisions to allow Hawaii to work alongside a network of states to enable timely, coordinated, and efficient regulation of trans-global, regional, and single-state money transmission companies to provide financial stability and better protect consumers.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2021.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 973, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 973, S.D. 1, H.D. 2, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

S Co

SEAN QUINLAN
Co-Chair

Rosalyn H Baker

ROSALYN H. BAKER
Chair

Aaron King Johanson

AARON KING JOHANSON
Co-Chair

Karl Rhoads

KARL RHOADS
Co-Chair

Daniel Holt

DANIEL HOLT
Co-Chair



Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 973, SD 1, HD 2	Date/Time: <i>4-21-21: 3:50 PM</i>
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The recommendation of the House and Senate managers is to pass with amendments (CD).



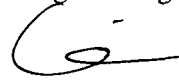
The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				QUINLAN, Sean, Co-Chr.	✓			
RHOADS, Karl, Co-Chr.	✓				JOHANSON, Aaron Ling, Co-Chr.	✓			
MISALUCHA, Bennette E.	✓				HOLT, Daniel, Co-Chr.	✓			
					OKIMOTO, Val	✓			
TOTAL	3	-	-	-	TOTAL	4	-	-	-

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:  
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