

STAND. COM. REP. NO.

985

Honolulu, Hawaii

MAR 17 , 2021

RE: S.B. No. 973  
S.D. 1  
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 Economic Development, to which was referred S.B. No. 973, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to amend the Hawaii Money Transmitter Act by:

- (1) Incorporating definitions of key terms provided in the Model Money Services Business Law published by the Conference of State Bank Supervisors;
- (2) Adding supporting documentation required to be submitted by an applicant for licensure;
- (3) Extending the period of an applicant's litigation and criminal conviction history review from five to ten years from the date of the application;
- (4) Requiring an applicant to submit information concerning any bankruptcy or receivership proceedings; and
- (5) Clarifying the authority of the Commissioner of Financial Institutions to examine and investigate

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licensees or authorized delegates of licensees and to participate in nationwide protocols for licensing cooperation.

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

Your Committee finds that the instantaneous global money transmission activity today necessitates additional oversight of money transmitters to provide appropriate consumer protection. This measure ensures that Hawaii can work alongside a network of states to effectively license, regulate, and supervise trans-global, regional, and single state money transmission companies to protect consumers, establish barriers to the entry of bad actors, provide stability and economic growth, and facilitate coordination among state agencies.

Your Committee has amended this measure by 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 Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 973, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 973, S.D. 1, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on behalf of the members of the Committee on Economic Development,



SEAN QUINLAN, Chair

