

STAND. COM. REP. NO.

1510

Honolulu, Hawaii

MAR 25 , 2021

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

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 S.B. No. 973, S.D. 1, H.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 Transmitters 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) Requiring an applicant for a money transmitter license to submit information concerning any bankruptcy or receivership proceedings;
- (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; and
- (4) Clarifying the authority of the Commissioner of Financial Institutions to examine and investigate licensees or authorized delegates of licensees and participate in nationwide protocols for licensing cooperation and coordination among state regulators.

2021-2780 SB973 HD2 HSCR HMSO



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

Your Committee finds that the money transmission industry has evolved significantly in the fifteen years since the enactment of Hawaii's Money Transmitters Act. 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 enable timely, coordinated, and efficient regulation of trans-global, regional, and single-state money transmission companies to provide financial stability and economic growth, while also protecting consumers.

Your Committee has amended this measure by changing the effective date to January 1, 2050, to encourage further discussion.

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 S.B. No. 973, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 973, S.D. 1, H.D. 2.

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



AARON LING JOHANSON, Chair



