

Honolulu, Hawaii

FEB 17 2021

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

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

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 973 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to amend the 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) Adding supporting documentation to be submitted by a license applicant;
- (3) Extending the period of a license applicant's litigation and criminal conviction history review from five to ten years from the date of the application;
- (4) Requiring a license applicant to submit information concerning any bankruptcy or receivership proceedings; and
- (5) Clarifying the authority of the commissioner of financial institutions relating to examinations and



investigations 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 existing law does not provide sufficient flexibility for Hawaii to share supervisory information with other states to swiftly protect consumers who use money transmission companies. The fast-paced nature of money transmissions and innovation of financial technologies necessitates a quicker response. Therefore, this measure adopts certain model act provisions to allow Hawaii to work alongside a network of states to license, supervise, and examine transglobal money transmission companies as a multi-state system to better protect consumers.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 973, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 973, S.D. 1, and be referred to your Committee on Judiciary.

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



ROSALYN H. BAKER, Chair



