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# A BILL FOR AN ACT

RELATING TO MONEY TRANSMITTERS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. Section 489D-9, Hawaii Revised Statutes, is  
2 amended by amending subsection (d) to read as follows:

3       "(d) An application for a license under this chapter shall  
4 be made in writing, and in a form prescribed by NMLS or by the  
5 commissioner. Each application shall contain the following:

6       (1) For all applicants:

7           (A) The exact name of the applicant, any fictitious  
8 or trade name used by the applicant in the  
9 conduct of its business, the applicant's  
10 principal address, and the location of the  
11 applicant's business records;

12          (B) The history of the applicant's material  
13 litigation and criminal convictions for the ten-  
14 year period [~~prior to~~] before the date of the  
15 application;



- 1 (C) A description of the business activities  
2 conducted by the applicant and a history of  
3 operations;
- 4 (D) A description of the business activities in which  
5 the applicant seeks to engage within the State;
- 6 (E) A list identifying the applicant's proposed  
7 authorized delegates in the State, if any, at the  
8 time of the filing of the license application;
- 9 (F) A sample authorized delegate contract, if  
10 applicable;
- 11 (G) A sample form of payment instrument or instrument  
12 upon which stored value is recorded, if  
13 applicable;
- 14 (H) The locations where the applicant and its  
15 authorized delegates, if any, propose to conduct  
16 their licensed activities in the State;
- 17 (I) The name and address of the clearing bank or  
18 banks on which the applicant's payment  
19 instruments will be drawn or through which  
20 payment instruments will be payable;



1 (J) Disclosure of any pending or final suspension,  
2 revocation, or other enforcement action by any  
3 state or governmental authority for the five-year  
4 period [~~prior to~~] before the date of the  
5 application;

6 (K) Information concerning any bankruptcy or  
7 receivership proceedings affecting the licensee,  
8 key individual, person in control of a licensee,  
9 or person seeking to acquire control of a  
10 licensee; and

11 (L) Any other information the commissioner may  
12 require;

13 (2) If the applicant is a corporation, the applicant shall  
14 also provide:

15 (A) The date of the applicant's incorporation and  
16 state of incorporation;

17 (B) A certificate of good standing from the state in  
18 which the applicant was incorporated;

19 (C) A description of the corporate structure of the  
20 applicant, including the identity of any parent  
21 or subsidiary company of the applicant, and the



1 disclosure of whether any parent or subsidiary  
2 company is publicly traded on any stock exchange;

3 (D) The name, business and residence address, and  
4 employment history, for the past five years, of  
5 the applicant's principals, and each person who,  
6 upon approval of the application, will be a  
7 principal of the licensee;

8 (E) For the ten-year period [~~prior to~~] before the  
9 date of the application, the history of material  
10 litigation involving, and criminal convictions  
11 of, each principal of the applicant;

12 (F) A copy of the applicant's most recent audited  
13 financial statement, including balance sheets,  
14 statements of income or loss, statements of  
15 changes in shareholder equity and statements of  
16 changes in financial position, and, if available,  
17 the applicant's audited financial statements for  
18 the preceding two-year period or, if the  
19 applicant is a wholly owned subsidiary of another  
20 corporation, either the parent corporation's  
21 consolidated audited financial statements for the



1 current year and for the preceding two-year  
2 period, or the parent corporation's Form 10-K  
3 reports filed with the United States Securities  
4 and Exchange Commission for the prior three years  
5 in lieu of the applicant's financial statements,  
6 or if the applicant is a wholly owned subsidiary  
7 of a corporation having its principal place of  
8 business outside the United States, similar  
9 documentation filed with the parent corporation's  
10 non-United States regulator;

11 (G) Copies of all filings, if any, made by the  
12 applicant with the United States Securities and  
13 Exchange Commission, or with a similar regulator  
14 in a country other than the United States, within  
15 the year preceding the date of filing of the  
16 application; and

17 (H) Information necessary to conduct a criminal  
18 history record check [~~in accordance with~~] to be  
19 conducted by or through NMLS or pursuant to  
20 section 846-2.7 of each person who, upon approval  
21 of the application, will be a principal of the



1           licensee[7]. The information shall be  
2           accompanied by the appropriate payment of the  
3           applicable fee for each criminal history record  
4           check; and

5       (3) If the applicant is not a corporation, the applicant  
6       shall also provide:

7           (A) The name, business and residence address,  
8           personal financial statement, and employment  
9           history, for the past five years, of each  
10          principal of the applicant;

11          (B) The name, business and residence address, and  
12          employment history, for the past five years, of  
13          any other persons who, upon approval of the  
14          application, will be a principal of the licensee;

15          (C) The place and date of the applicant's  
16          registration or qualification to do business in  
17          this State;

18          (D) The history of material litigation and criminal  
19          convictions for the ten-year period before the  
20          date of the application for each principal of the  
21          applicant;



- 1 (E) Copies of the applicant's audited financial  
2 statements, including balance sheets, statements  
3 of income or loss, and statements of changes in  
4 financial position for the current year and, if  
5 available, for the preceding two-year period; and
- 6 (F) Information necessary to conduct a criminal  
7 history record check [~~in accordance with~~] to be  
8 conducted by or through NMLS or pursuant to  
9 section 846-2.7 of each principal of the  
10 applicant[7]. The information shall be  
11 accompanied by the appropriate payment of the  
12 applicable fee for each criminal history record  
13 check."

14 SECTION 2. Section 489D-34, Hawaii Revised Statutes, is  
15 amended to read as follows:

16 "§489D-34 Powers of the commissioner. In addition to any  
17 other powers provided by law, the commissioner may:

- 18 (1) Adopt rules pursuant to chapter 91 to implement this  
19 chapter;
- 20 (2) Administer and enforce the provisions and requirements  
21 of this chapter;



- 1 (3) Issue declaratory rulings and informal nonbinding  
2 interpretations;
- 3 (4) Develop requirements for licensure;
- 4 (5) Process and investigate complaints, subpoena witnesses  
5 and documents, administer oaths, and receive  
6 affidavits and oral testimony, including telephonic  
7 communications;
- 8 (6) Investigate and conduct hearings, including contested  
9 case proceedings under chapter 91, regarding any  
10 violation of this chapter, or any rule or order of, or  
11 agreement with, the commissioner;
- 12 (7) Create fact-finding committees that may make  
13 recommendations to the commissioner for the  
14 commissioner's deliberations;
- 15 (8) Require disclosure of relevant criminal history in  
16 accordance with this chapter and conduct criminal  
17 history record checks [~~in accordance with~~] conducted  
18 by or through NMLS or pursuant to chapter 846;
- 19 (9) Contract with or employ qualified persons who may be  
20 exempt from chapter 76, including investigators,  
21 examiners, auditors, and attorneys, to assist the





1 commissioner in exercising the commissioner's powers  
2 and duties;

3 (10) Require that all revenues, fees, and fines collected  
4 by the commissioner under this chapter be deposited  
5 into the compliance resolution fund established  
6 pursuant to section 26-9(o);

7 (11) Revoke, suspend, or otherwise limit the license of any  
8 money transmitter for any violation of this chapter,  
9 or any rule or order of, or agreement with, the  
10 commissioner;

11 (12) Report any violation of this chapter or violation of  
12 federal or state law to the Consumer Financial  
13 Protection Bureau or other federal agency having  
14 jurisdiction over the licensee;

15 (13) Participate in nationwide protocols for licensing  
16 cooperation and coordination among state regulators;  
17 and

18 (14) Do any and all things necessary or incidental to the  
19 exercise of the commissioner's power and duties."

20 SECTION 3. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on July 1, 2022.



**Report Title:**

Money Transmitters; Application; Criminal History Record Check

**Description:**

Minimizes regulatory burden and eliminates redundancy by permitting money transmitter applicants to submit to either a state or federal criminal history record check, rather than both. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

