

STAND. COM. REP. NO. 956-22

Honolulu, Hawaii  
, 2022

MAR 04  
RE: H.B. No. 2113  
H.D. 2

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 2113, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MONEY TRANSMITTERS,"

begs leave to report as follows:

The purpose of this measure is to minimize the regulatory burden and eliminate redundancy by permitting money transmitter applicants to submit to either a state or federal criminal history record check, rather than both.

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

Your Committee finds that the majority of states only require a federal criminal history background review since states are reporters to the national criminal background database. Hawaii has been a reporter to the national criminal history background database for the past seven years. Since learning that the State was a reporter to the national database, the Department of Commerce and Consumer Affairs' Division of Financial Institutions reviewed parallel state and federal criminal history background reviews and found no discrepancies on disqualifying crimes.

Your Committee further finds that NMLS is the sole nationwide platform that provides information-sharing among state regulators

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to increase efficiencies for supervision and enhance consumer protection. The cloud-based system provides state agencies with access to up-to-date criminal history records from the national database and helps ensure that persons in a position of trust meet established standards to protect consumers and businesses.

This measure streamlines the process for money transmitter applicants by requiring a criminal history record check through either NMLS or the state review.

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

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2113, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2113, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary &  
Hawaiian Affairs,

  
MARK M. NAKASHIMA, Chair



State of Hawaii  
House of Representatives  
The Thirty-first Legislature

HSCR956-22

**Record of Votes of the Committee on Judiciary & Hawaiian Affairs**

<b>Bill/Resolution No.:</b> HB 2113, HD1	<b>Committee Referral:</b> CPC, JHA	<b>Date:</b> 2-25-22		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
JHA Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	✓			
2. MATAYOSHI, Scot Z. (VC)	✓			
3. ICHIYAMA, Linda	✓			
4. KOBAYASHI, Dale T.	✓			
5. LoPRESTI, Matthew S.	✓			
6. LOWEN, Nicole E.	✓			
7. McKELVEY, Angus L.K.	✓			
8. NAKAMURA, Nadine K.				✓
9. TAKUMI, Roy M.	✓			
10. TOKIOKA, James Kunane	✓			
11. WARD, Gene	✓			
<b>TOTAL (11)</b>	10	0	0	1
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
<b>Vice Chair's or designee's signature:</b>				
<b>Distribution:</b> Original (White) – Committee            Duplicate (Yellow) – Chief Clerk's Office            Duplicate (Pink) – HMSO				