

STAND. COM. REP. NO.

423

Honolulu, Hawaii

, 2025

FEB 11

RE: H.B. No. 1049

H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which
was referred H.B. No. 1049 entitled:

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

begs leave to report as follows:

The purpose of this measure is to make various amendments to
the Money Transmitters Modernization Act to be more consistent
with the Model Money Transmitters Modernization Act by:

- (1) Amending the definition of "permissible investments" to
include certain receivables;
- (2) Correcting the required tangible net worth that must be
maintained by a licensee and repealing language that
specified the manner in which tangible net worth is to
be calculated; and
- (3) Removing the refundable \$5,000 initial annual license
fee and instead allowing a fee to be assessed after an
application has been approved.

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

2025-1425 HB1049 HD1 HSCR HMSO



Your Committee finds that the existing calculation for tangible net worth under the State's Money Transmitters Modernization Act is based on an older model law and does not comport with national standards. This measure will correct the existing calculation to ensure that licensees can operate and conduct their business in a safe and sound manner across the nation and in Hawaii.

Your Committee further finds that existing law requires an applicant for licensure as a money transmitter to pay a \$5,000 initial annual license fee with their application, which is then returned if the application is denied. This process is administratively burdensome and frustrating to an applicant. This measure therefore streamlines the process to only require the \$5,000 fee once an applicant's application has been approved.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1049, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1049, H.D. 1, and be referred to your Committee on Finance.

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



SCOT Z. MATIYOSHI, Chair



