

ACT 167

S.B. NO. 1068

A Bill for an Act Relating to Money Transmitters.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 489D, Hawaii Revised Statutes, is amended by adding two new sections to be appropriately designated and to read as follows:

“§489D- Registration with NMLS. The commissioner may require all licensees to register with NMLS.

§489D- Voluntary surrender of license. (a) A licensee may voluntarily cease business and surrender its license by giving written notice to the commissioner of its intent to surrender its license. Prior to the surrender date of a li-

cense, the licensee shall have either completed all pending money transmissions or assigned each to another licensee.

(b) Notice pursuant to this section shall be provided at least thirty days before the surrender of the license and shall include:

- (1) The date of surrender;
- (2) The name, address, telephone number, facsimile number, and electronic address of a contact individual with knowledge and authority sufficient to communicate with the commissioner regarding all matters relating to the licensee during the period that it was licensed pursuant to this chapter;
- (3) The reason or reasons for surrender;
- (4) Total dollar amount of the licensee's outstanding payment instruments sold in Hawaii and the individual amounts of each outstanding instrument, and the name, address, and contact phone number of the licensee to which each outstanding instrument was assigned;
- (5) A list of the licensee's Hawaii authorized delegates, if any, as of the date of surrender; and
- (6) Confirmation that the licensee has notified each of its Hawaii authorized delegates, if any, that they may no longer conduct money transmissions on the licensee's behalf.

Voluntary surrender of a license shall be effective upon the date of surrender specified on the written notice to the commissioner as required by this section; provided that the licensee has met all the requirements of voluntary surrender and has returned the original license issued."

SECTION 2. Section 489D-4, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

"NMLS" means a mortgage licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the state licensing and registration of state-licensed loan originators and other financial services providers, or any system provided by the Consumer Financial Protection Bureau."

SECTION 3. Section 489D-7, Hawaii Revised Statutes, is amended to read as follows:

~~"[§489D-7] Bond or other security device.~~ (a) Each application for a license shall be accompanied by a surety bond, irrevocable letter of credit, or other similar security device acceptable to the commissioner in the amount of ~~[\$1,000.] \$10,000 for the initial twelve months licensure. Thereafter, each licensee shall maintain a bond in the amount required by subsection (g) unless otherwise required by the commissioner.~~ The commissioner may increase the amount of the bond or security device to a maximum of \$500,000 upon the basis of the impaired financial condition of a licensee, as evidenced by a reduction in net worth, financial losses, or other relevant criteria.

(b) The security device shall be in a form satisfactory to the commissioner and shall run to the State for the benefit of any claimants against the licensee to secure the faithful performance of the obligations of the licensee relating to the receipt, handling, transmission, and payment of money in connection with the sale and issuance of payment instruments or transmission of money. In the case of a bond, the aggregate liability of the surety shall not exceed the principal sum of the bond. Claimants against the licensee may bring suit directly on the security device or the commissioner may bring suit on behalf of claimants, either in one action or in successive actions.

(c) To meet the requirement of a security device or of any portion of the principal amount thereof, the licensee may deposit with the commissioner, or with such banks in this State as the licensee may designate and the commissioner may approve, cash, interest-bearing stocks and bonds, notes, debentures, or other obligations:

- (1) Of the United States or any agency or instrumentality thereof;
- (2) Guaranteed by the United States;
- (3) Of the State, a county, or instrumentality of the State; or
- (4) Guaranteed by the State,

in an aggregate amount based upon the principal amount or market value, whichever is lower, of not less than the amount of the security device or portion thereof.

(d) The securities or cash deposited pursuant to subsection (c) shall secure the same obligations as would the security device, but the depositor shall:

- (1) Be entitled to receive all interest and dividends thereon;
- (2) Have the right, with the approval of the commissioner, to substitute other securities for those deposited; and
- (3) Be required to substitute other securities for those deposited upon a showing of good cause and written order of the commissioner.

(e) The security device shall remain in effect until cancellation, which may occur only after thirty days written notice to the commissioner. Cancellation shall not affect any liability incurred or accrued during the period.

(f) The security device shall remain in place for no longer than five years after the licensee ceases money transmission operations in the State. Notwithstanding this provision, the commissioner may permit the security device to be reduced or eliminated prior to that time to the extent that the amount of the licensee's payment instruments outstanding in the State are reduced. The commissioner may also permit a licensee to substitute a letter of credit or other form of security device acceptable to the commissioner for the security device in place at the time the licensee ceases money transmission operations in the State.

(g) After the initial year of licensure, a licensee shall obtain a bond or other security device of \$5,000 if the licensee's annualized money transmissions as calculated in section 489D-12(a) are less than \$10,000,000. The bond or security device shall be \$10,000 if the licensee's annualized money transmissions as calculated in section 489D-12(a) are \$10,000,000 or more. Each licensee shall perform this calculation on an annual basis."

SECTION 4. Section 489D-9, Hawaii Revised Statutes, is amended to read as follows:

"§489D-9 [Application for license. (a)] License and registration; application. (a) The commissioner may enter into agreements or contracts with the operators of NMLS or other entities designated by NMLS to collect and maintain records and process transaction fees or other fees related to licensees or other persons subject to this chapter.

(b) For the purpose and the extent necessary to use NMLS, the commissioner may waive or modify, in whole or in part, by rule or order, any or all of the requirements of this chapter and establish new requirements as reasonably necessary to participate in NMLS.

(c) In addition to other uses of NMLS, the commissioner may use NMLS as an agent for:

- (1) Requesting information from and distributing information to the United States Department of Justice or any other governmental agency; and

(2) Requesting and distributing information to and from any source directed by the commissioner.

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

(1) For all applicants:

- (A) The exact name of the applicant, any fictitious or trade name used by the applicant in the conduct of its business, the applicant's principal address, and the location of the applicant's business records;
- (B) The history of the applicant's material litigation and criminal convictions for the five-year period prior to the date of the application;
- (C) A description of the business activities conducted by the applicant and a history of operations;
- (D) A description of the business activities in which the applicant seeks to engage within the State;
- (E) A list identifying the applicant's proposed authorized delegates in the State, if any, at the time of the filing of the license application;
- (F) A sample authorized delegate contract, if applicable;
- (G) A sample form of payment instrument, if applicable;
- (H) The locations where the applicant and its authorized delegates, if any, propose to conduct their licensed activities in the State;
- (I) The name and address of the clearing bank or banks on which the applicant's payment instruments will be drawn or through which payment instruments will be payable;
- (J) Disclosure of any pending or final suspension, revocation, or other enforcement action by any state or governmental authority for the five-year period prior to the date of the application; and
- (K) Any other information the commissioner may require;

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

- (A) The date of the applicant's incorporation and state of incorporation;
- (B) A certificate of good standing from the state in which the applicant was incorporated;
- (C) A description of the corporate structure of the applicant, including the identity of any parent or subsidiary company of the applicant, and the disclosure of whether any parent or subsidiary company is publicly traded on any stock exchange;
- (D) The name, business and residence address, and employment history, for the past five years, of the applicant's executive officers and the officers or managers who will be in charge of the applicant's activities to be licensed under this chapter;
- (E) The name, business and residence address, and employment history of any key shareholder of the applicant, for the period of five years before the date of the application;
- (F) For the five-year period prior to the date of the application, the history of material litigation involving, and criminal convictions of, every executive officer or key shareholder of the applicant;
- (G) A copy of the applicant's most recent audited financial statement, including balance sheets, statements of income or loss,

statements of changes in shareholder equity and statement of changes in financial position, and, if available, the applicant's audited financial statements for the preceding two-year period or, if the applicant is a wholly owned subsidiary of another corporation, either the parent corporation's consolidated audited financial statements for the current year and for the preceding two-year period, or the parent corporation's Form 10-K reports filed with the United States Securities and Exchange Commission for the prior three years in lieu of the applicant's financial statements, or if the applicant is a wholly owned subsidiary of a corporation having its principal place of business outside the United States, similar documentation filed with the parent corporation's non-United States regulator;

- (H) Copies of all filings, if any, made by the applicant with the United States Securities and Exchange Commission, or with a similar regulator in a country other than the United States, within the year preceding the date of filing of the application; and
- (I) Information necessary to conduct a criminal history record check in accordance with section 846-2.7 of each of the executive officers, key shareholders, and managers who will be in charge of the applicant's activities, accompanied by the appropriate payment of the applicable fee for each record check; and
- (3) If the applicant is not a corporation, the applicant shall also provide:
 - (A) The name, business and residence address, personal financial statement, and employment history, for the past five years, of each principal of the applicant;
 - (B) The name, business and residence address, and employment history, for the past five years, of any other persons who will be in charge of the applicant's activities to be licensed under this chapter;
 - (C) The place and date of the applicant's registration or qualification to do business in this State;
 - (D) The history of material litigation and criminal convictions for the five-year period before the date of the application for each individual having any ownership interest in the applicant and each individual who exercises supervisory responsibility over the applicant's activities;
 - (E) Copies of the applicant's audited financial statements, including balance sheets, statements of income or loss, and statements of changes in financial position for the current year and, if available, for the preceding two-year period; and
 - (F) Information necessary to conduct a criminal history record check in accordance with section 846-2.7 of each principal of the applicant, accompanied by the appropriate payment of the applicable fee for each record check.

~~(b)~~ (e) The commissioner, for good cause may:

- (1) Waive any requirement of this section relating to any license application; or
- (2) Permit an applicant to submit substituted information in its license application in lieu of the information required by this section."

SECTION 5. Section 489D-9.5, Hawaii Revised Statutes, is amended to read as follows:

~~“[§489D-9.5] Limited exemption for financial institutions; financial institutions as authorized delegates. (a) Banks, bank holding companies, credit unions, [building and loan associations, savings and loan associations,] savings banks, financial services loan companies, and mutual banks organized under the laws of the United States or any state shall be exempt from the licensing and examination provisions of this chapter.~~

~~(b) An applicant or licensee may appoint an entity described in subsection (a) as an authorized delegate.~~

~~(c) When submitting an application for a license pursuant to section 489D-9, or when submitting an annual report pursuant to section 489D-12, an applicant or licensee that appoints an entity described in subsection (a) as an authorized delegate shall include that entity’s name and the locations in this State where that entity will conduct its authorized delegate activities.~~

~~[(d) When computing the application and license fees required to be paid pursuant to sections 489D-10 and 489D-12, an applicant or licensee that appoints an entity described in subsection (a) as an authorized delegate shall exclude all of the locations in this State where that entity will conduct its authorized delegate activities.]”~~

SECTION 6. Section 489D-10, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Each application shall be accompanied by:

- (1) A nonrefundable application fee in the amount of ~~[\$2,000 plus \$300 for each additional location in the State, not to exceed an aggregate fee of \$15,000;]~~ \$5,000; and
- (2) An ~~initial~~ annual license fee of ~~[\$2,000 plus \$300 for each additional location in the State, not to exceed an aggregate fee of \$15,000;]~~ \$5,000.”

SECTION 7. Section 489D-12, Hawaii Revised Statutes, is amended to read as follows:

~~“§489D-12 Renewal of license and annual report. (a) On or before December 31 of each year, each licensee shall pay [to the commissioner an annual license fee of \$2,000, plus \$300 for each additional location in the State, not to exceed an aggregate fee of \$15,000;] renewal fees based on the number of annualized money transmissions as follows:~~

- ~~(1) \$3,000 for licensees with fewer than 5,000 money transmissions;~~
- ~~(2) \$5,000 for licensees with 5,000 or more but fewer than 50,000 money transmissions;~~
- ~~(3) \$8,000 for licensees with 50,000 or more but fewer than 100,000 money transmissions;~~
- ~~(4) \$16,000 for licensees with 100,000 or more but fewer than 200,000 money transmissions; and~~
- ~~(5) \$20,000 for licensees with 200,000 or more money transmissions.~~

~~For purposes of this subsection, “annualized money transmissions” means the number of money transmissions reported for the quarter on the report required by subsection (b)(2), multiplied by four.~~

~~(b) The annual license fee shall be accompanied by a report, in a form prescribed by the commissioner, which shall include:~~

- ~~(1) A copy of the licensee’s most recent audited annual financial statement, including balance sheets, statement of income or loss, statement of changes in shareholder’s equity, and statement of [changes in financial position] cash flows or, if a licensee is a wholly owned~~

- subsidiary of another corporation, the consolidated audited annual financial statement of the parent corporation in lieu of the licensee's audited annual financial statement;
- (2) For the most recent quarter for which data is available prior to the date of filing the annual report, but in no event more than one hundred twenty days prior to the renewal date, the licensee shall provide the number of [~~payment instruments~~] money transmissions sold, issued, or received for transmission by the licensee in the State, the dollar amount of those [~~instruments,~~] transmissions, and the dollar amounts of [~~those~~] payment instruments currently outstanding;
 - (3) Any material changes to any of the information submitted by the licensee on its original application that have not previously been reported to the commissioner on any other report required to be filed under this chapter;
 - (4) For the most recent quarter for which data is available prior to the date of filing the annual report, but in no event more than one hundred twenty days prior to the renewal date, a list of the licensee's permissible investments, including the total market value of each type of permissible investment, and the total dollar amount of all outstanding payment instruments issued or sold by the licensee in the United States;
 - (5) A list of the locations, if any, within this State where business regulated by this chapter is being conducted by either the licensee or the licensee's authorized delegates;
 - (6) Disclosure of any pending or final suspension, revocation, or other enforcement action by any state or governmental authority; ~~and~~
 - (7) The licensee's evidence of a valid bond or other security device as required pursuant to section 489D-7; and
 - ~~(7)~~ (8) Any other information the commissioner may require.

A licensee may be renewed by filing a renewal statement on a form prescribed by NMLS or by the commissioner and paying a renewal fee at least four weeks prior to the renewal date for licensure for the following year.

(c) A licensee that has not filed an annual report that has been deemed complete by the commissioner or paid its annual license fee by the renewal filing deadline, and has not been granted an extension of time to do so by the commissioner, shall have its license suspended on the renewal date. The licensee ~~has~~ shall have thirty days after its license is suspended to file an annual report and pay the annual license fee, plus a late filing fee of [~~\$100~~] \$250 for each business day after suspension that the commissioner does not receive the annual report and the annual license fee. The commissioner, for good cause, may grant an extension of the renewal date or reduce or suspend the [~~\$100~~] \$250 per day late filing fee."

SECTION 8. Section 489D-12.5, Hawaii Revised Statutes, is amended to read as follows:

~~"[§489D-12.5] Fees, Penalties and other charges. [Unless otherwise provided by statute, all fees]~~ Administrative penalties and other charges assessed under this chapter shall be deposited into the compliance resolution fund established pursuant to section 26-9(o)."

SECTION 9. Section 489D-14.5, Hawaii Revised Statutes, is amended to read as follows:

“~~[[~~§489D-14.5~~]]~~ **Name change.** To change its name, its fictitious name, or its trade name, a ~~[money transmitter]~~ licensee shall file an application with the commissioner and pay a nonrefundable fee of ~~[\$250]~~ \$1,000 or ~~[such]~~ a greater amount as the commissioner shall establish by rule pursuant to chapter 91. The application shall be approved if the commissioner is satisfied that the new name complies with all applicable laws. Any change of name shall not affect a ~~[money transmitter's]~~ licensee's rights, liabilities, or obligations existing prior to the effective date thereof, and no documents of transfer shall be necessary to preserve such rights, liabilities, or obligations; provided that the commissioner may require notice to be given to the public and other governmental agencies.”

SECTION 10. Section 489D-15, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

“(a) A licensee shall submit to the commissioner an application requesting approval of a proposed change of control of the licensee, accompanied by a nonrefundable application fee of ~~[\$2,000-]~~ \$2,500.

(b) After review of a request for approval under subsection (a), the commissioner may require the licensee to provide additional information concerning the persons who are to assume control of the licensee. The additional information shall be limited to similar information required of the licensee or persons in control of the licensee as part of its original license or renewal application under sections 489D-9 and 489D-12~~[-]~~ and shall include the history of the applicant's material litigation and criminal convictions for the five-year period prior to the date of the application for change of control of the licensee.”

SECTION 11. Section 489D-16, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Every licensee and its authorized delegates shall file with the commissioner all reports relating to transactions in the State, as required by federal recordkeeping and reporting requirements in Title 31 United States Code section 5311 et seq., 31 Code of Federal Regulations Part ~~[103-]~~ 1022, section ~~[125-]~~ 1022.210, and other federal and state laws pertaining to money laundering.”

SECTION 12. Section 489D-17, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) The commissioner shall charge an examination fee to each ~~[licensed money transmitter]~~ licensee and authorized delegate examined or investigated by the commissioner or the commissioner's staff, based upon the cost per hour per examiner. ~~[Effective July 1, 2008, the]~~ The hourly fee shall be \$60.”

SECTION 13. Section 489D-21, Hawaii Revised Statutes, is amended to read as follows:

“~~[[~~§489D-21~~]]~~ **Authorized delegate contracts.** Licensees desiring to conduct licensed activities through authorized delegates shall authorize each delegate to operate pursuant to an express written contract. These contracts shall provide the following:

- (1) That the licensee appoints the person as the licensee's delegate with authority to engage in money transmission on behalf of the licensee;
- (2) That neither a licensee nor an authorized delegate may authorize subdelegates without the written consent of the commissioner;
- (3) That the licensee is subject to supervision and rule by the commissioner; and

- (4) That the authorized delegate certifies that it is in compliance with the recordkeeping and reporting requirements under Title 31 United States Code section 5311 et seq., 31 Code of Federal Regulations Part [403,] 1022, section [125,] 1022.210, and other federal and state laws pertaining to money laundering.”

SECTION 14. Section 489D-28, Hawaii Revised Statutes, is amended to read as follows:

“**§489D-28 Civil penalties.** [(a)] The commissioner may assess a fine against a person who violates this chapter or a rule adopted or an order issued under this chapter in an amount not to exceed [\$500] \$1,000 per day for each day the violation is outstanding, plus the State’s costs and expenses for the investigation and prosecution of the matter, including reasonable attorneys’ fees.

~~[(b) All administrative fines collected under authority of this chapter shall be deposited into the compliance resolution fund established pursuant to section 26-9(e).]”~~

SECTION 15. Section 846-2.7, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Criminal history record checks may be conducted by:

- (1) The department of health or the department’s designee on operators of adult foster homes or developmental disabilities domiciliary homes and their employees, as provided by section 333F-22;
- (2) The department of health or the department’s designee on prospective employees, persons seeking to serve as providers, or subcontractors in positions that place them in direct contact with clients when providing non-witnessed direct mental health services as provided by section 321-171.5;
- (3) The department of health or the department’s designee on all applicants for licensure for, operators for, prospective employees, and volunteers at one or more of the following: skilled nursing facility, intermediate care facility, adult residential care home, expanded adult residential care home, assisted living facility, home health agency, hospice, adult day health center, special treatment facility, therapeutic living program, intermediate care facility for individuals with intellectual disabilities, hospital, rural health center and rehabilitation agency, and, in the case of any of the above facilities operating in a private residence, on any adult living in the facility other than the client as provided by section 321-15.2;
- (4) The department of education on employees, prospective employees, and teacher trainees in any public school in positions that necessitate close proximity to children as provided by section 302A-601.5;
- (5) The counties on employees and prospective employees who may be in positions that place them in close proximity to children in recreation or child care programs and services;
- (6) The county liquor commissions on applicants for liquor licenses as provided by section 281-53.5;
- (7) The county liquor commissions on employees and prospective employees involved in liquor administration, law enforcement, and liquor control investigations;
- (8) The department of human services on operators and employees of child caring institutions, child placing organizations, and foster boarding homes as provided by section 346-17;

- (9) The department of human services on prospective adoptive parents as established under section 346-19.7;
- (10) The department of human services on applicants to operate child care facilities, prospective employees of the applicant, and new employees of the provider after registration or licensure as provided by section 346-154;
- (11) The department of human services on persons exempt pursuant to section 346-152 to be eligible to provide child care and receive child care subsidies as provided by section 346-152.5;
- (12) The department of human services on operators and employees of home and community-based case management agencies and operators and other adults, except for adults in care, residing in foster family homes as provided by section 346-335;
- (13) The department of human services on staff members of the Hawaii youth correctional facility as provided by section 352-5.5;
- (14) The department of human services on employees, prospective employees, and volunteers of contracted providers and subcontractors in positions that place them in close proximity to youth when providing services on behalf of the office or the Hawaii youth correctional facility as provided by section 352D-4.3;
- (15) The judiciary on employees and applicants at detention and shelter facilities as provided by section 571-34;
- (16) The department of public safety on employees and prospective employees who are directly involved with the treatment and care of persons committed to a correctional facility or who possess police powers including the power of arrest as provided by section 353C-5;
- (17) The board of private detectives and guards on applicants for private detective or private guard licensure as provided by section 463-9;
- (18) Private schools and designated organizations on employees and prospective employees who may be in positions that necessitate close proximity to children; provided that private schools and designated organizations receive only indications of the states from which the national criminal history record information was provided pursuant to section 302C-1;
- (19) The public library system on employees and prospective employees whose positions place them in close proximity to children as provided by section 302A-601.5;
- (20) The State or any of its branches, political subdivisions, or agencies on applicants and employees holding a position that has the same type of contact with children, vulnerable adults, or persons committed to a correctional facility as other public employees who hold positions that are authorized by law to require criminal history record checks as a condition of employment as provided by section 78-2.7;
- (21) The department of human services on licensed adult day care center operators, employees, new employees, subcontracted service providers and their employees, and adult volunteers as provided by section 346-97;
- (22) The department of human services on purchase of service contracted and subcontracted service providers and their employees serving clients of the adult and community care services branch, as provided by section 346-97;
- (23) The department of human services on foster grandparent program, retired and senior volunteer program, senior companion program,

- and respite companion program participants as provided by section 346-97;
- (24) The department of human services on contracted and subcontracted service providers and their current and prospective employees that provide home and community-based services under section 1915(c) of the Social Security Act, Title 42 United States Code section 1396n(c), or under any other applicable section or sections of the Social Security Act for the purposes of providing home and community-based services, as provided by section 346-97;
 - (25) The department of commerce and consumer affairs on proposed directors and executive officers of a bank, savings bank, savings and loan association, trust company, and depository financial services loan company as provided by section 412:3-201;
 - (26) The department of commerce and consumer affairs on proposed directors and executive officers of a nondepository financial services loan company as provided by section 412:3-301;
 - (27) The department of commerce and consumer affairs on the original chartering applicants and proposed executive officers of a credit union as provided by section 412:10-103;
 - (28) The department of commerce and consumer affairs on:
 - (A) Each principal of every non-corporate applicant for a money transmitter license; and
 - (B) The executive officers, key shareholders, and managers in charge of a money transmitter's activities of every corporate applicant for a money transmitter license, as provided by ~~section~~ sections 489D-9[;] and 489D-15;
 - (29) The department of commerce and consumer affairs on applicants for licensure and persons licensed under title 24;
 - (30) The Hawaii health systems corporation on:
 - (A) Employees;
 - (B) Applicants seeking employment;
 - (C) Current or prospective members of the corporation board or regional system board; or
 - (D) Current or prospective volunteers, providers, or contractors, in any of the corporation's health facilities as provided by section 323F-5.5;
 - (31) The department of commerce and consumer affairs on:
 - (A) An applicant for a mortgage loan originator license; and
 - (B) Each control person, executive officer, director, general partner, and manager of an applicant for a mortgage loan originator company license, as provided by chapter 454F;
 - (32) The counties on prospective employees who work with vulnerable adults or senior citizens in community-based programs;
 - (33) The counties on prospective employees for fire department positions which involve contact with children or dependent adults;
 - (34) The counties on prospective employees for emergency medical services positions which involve contact with children or dependent adults;
 - (35) The counties on prospective employees for emergency management positions and community volunteers whose responsibilities involve planning and executing homeland security measures including viewing, handling, and engaging in law enforcement or classi-

ACT 167

fied meetings and assisting vulnerable and disabled citizens during emergencies or crises; and

- (36) Any other organization, entity, or the State, its branches, political subdivisions, or agencies as may be authorized by state law.”

SECTION 16. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 17. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 18. This Act shall take effect upon its approval.

(Approved June 21, 2013.)

Note

1. Edited pursuant to HRS §23G-16.5.