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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-4, Hawaii Revised Statutes, is  
2 amended as follows:

3           1. By adding a new definition of "decentralized virtual  
4 currency" to read:

5           "Decentralized virtual currency" means a medium of  
6 exchange that:

7           (1) Does not have legal tender status in any jurisdiction;

8           (2) Does not have a central repository or single  
9 administrator;

10          (3) May act as a substitute for, have an equivalent value  
11 in, or be converted to or exchanged for legal tender  
12 in at least one jurisdiction world-wide;

13          (4) Is electronically transmitted between parties without  
14 an intermediary; and

15          (5) Relies on cryptographic software protocols for  
16 currency generation and validation of transactions."



1           2. By amending the definition of "outstanding payment  
2 instrument" to read:

3           "Outstanding payment [instrument] obligation" means  
4 [any] :

5           (1) Any payment instrument issued by the licensee that has  
6           been sold in the United States:

7           ~~(1)~~ (A) Directly by the licensee; or

8           ~~(2)~~ (B) By an authorized delegate of the licensee in the  
9           United States, which has been reported to the  
10           licensee as having been sold,

11           and that has not yet been paid by or for the  
12           licensee~~[-]~~; and

13           (2) All other outstanding money transmission obligations  
14           of the licensee issued in the United States."

15           3. By amending the definition of "payment instrument" to  
16 read:

17           "Payment instrument" means any electronic or written  
18 check, draft, money order, traveler's check, or other electronic  
19 instrument or written instrument or order for the transmission  
20 or payment of money, sold or issued to one or more persons,  
21 whether or not the instrument is negotiable. The term "payment



1 instrument" does not include any credit card voucher, any letter  
2 of credit, [e] any instrument that is redeemable by the issuer  
3 in goods or services[-], or any instrument or order for the  
4 transmission, sale, or payment of decentralized virtual  
5 currency."

6 4. By amending the definition of "person" to read:

7 "Person" means any individual, partnership, limited  
8 liability company, association, joint-stock association, trust,  
9 [e] corporation[-], or other entity, however organized."

10 5. By amending the definition of "principal" to read:

11 "Principal" means any person, or group of persons acting  
12 in concert, who exercises control over or has a twenty-five per  
13 cent ownership interest or more in an applicant or licensee  
14 under this chapter. Principal also includes a manager [~~and~~  
15 ~~anyone else who supervises or is in charge of the applicant or~~  
16 ~~licensee-~~] and executive officers."

17 6. By repealing the definition of "key shareholder".

18 [~~"Key shareholder" means any person, or group of persons~~  
19 ~~acting in concert, who is the owner of twenty five per cent or~~  
20 ~~more of any voting class of an applicant's stock."]~~



1 SECTION 2. Section 489D-5, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) This chapter shall not apply to:

- 4 (1) The United States or any department, agency, or  
5 instrumentality thereof;
- 6 (2) The United States Postal Service;
- 7 (3) The State or any political subdivisions thereof; ~~and~~
- 8 (4) The electronic transfer of government benefits for any  
9 federal, state, or county governmental agency as  
10 defined in Consumer Financial Protection Bureau  
11 Regulation E, by a contractor for, and on behalf of  
12 the United States or any department, agency, or  
13 instrumentality thereof, or any state or any political  
14 subdivisions thereof ~~[-]~~; and
- 15 (5) The sale, receipt, storage, or transfer of  
16 decentralized virtual currency; provided that this  
17 paragraph shall not affect the status or any  
18 obligation under federal law of any person that  
19 engages in any transaction or activity involving  
20 decentralized virtual currency."



1 SECTION 3. Section 489D-8, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 " ~~[+] §489D-8 [±]~~ **Permissible investments and statutory**  
4 **trust.** (a) A licensee, at all times, shall possess permissible  
5 investments having an aggregate market value, calculated in  
6 accordance with generally accepted accounting principles, of not  
7 less than the aggregate amount of all outstanding payment  
8 ~~[instruments issued or sold by the licensee in the United~~  
9 ~~States.]~~ obligations. This requirement may be waived by the  
10 commissioner if the dollar volume of a licensee's outstanding  
11 payment ~~[instruments]~~ obligations does not exceed the bond or  
12 other security devices posted by the licensee pursuant to  
13 section 489D-7.

14 (b) Permissible investments, even if commingled with other  
15 assets of the licensee, shall be held in trust for the benefit  
16 of the purchasers and holders of the licensee's outstanding  
17 payment ~~[instruments]~~ obligations in the event of the bankruptcy  
18 of the licensee."

19 SECTION 4. Section 489D-9, Hawaii Revised Statutes, is  
20 amended by amending subsection (d) to read as follows:



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

4           (1) For all applicants:

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

10                   (B) The history of the applicant's material  
11                   litigation and criminal convictions for the five-  
12                   year period prior to the date of the application;

13                   (C) A description of the business activities  
14                   conducted by the applicant and a history of  
15                   operations;

16                   (D) A description of the business activities in which  
17                   the applicant seeks to engage within the State;

18                   (E) A list identifying the applicant's proposed  
19                   authorized delegates in the State, if any, at the  
20                   time of the filing of the license application;



- 1 (F) A sample authorized delegate contract, if
- 2 applicable;
- 3 (G) A sample form of payment instrument, if
- 4 applicable;
- 5 (H) The locations where the applicant and its
- 6 authorized delegates, if any, propose to conduct
- 7 their licensed activities in the State;
- 8 (I) The name and address of the clearing bank or
- 9 banks on which the applicant's payment
- 10 instruments will be drawn or through which
- 11 payment instruments will be payable;
- 12 (J) Disclosure of any pending or final suspension,
- 13 revocation, or other enforcement action by any
- 14 state or governmental authority for the five-year
- 15 period prior to the date of the application; and
- 16 (K) Any other information the commissioner may
- 17 require;
- 18 (2) If the applicant is a corporation, the applicant shall
- 19 also provide:
- 20 (A) The date of the applicant's incorporation and
- 21 state of incorporation;



- 1 (B) A certificate of good standing from the state in
- 2 which the applicant was incorporated;
- 3 (C) A description of the corporate structure of the
- 4 applicant, including the identity of any parent
- 5 or subsidiary company of the applicant, and the
- 6 disclosure of whether any parent or subsidiary
- 7 company is publicly traded on any stock exchange;
- 8 (D) The name, business and residence address, and
- 9 employment history, for the past five years, of
- 10 the applicant's ~~[executive officers, and the~~
- 11 ~~officers or managers who will be in charge of the~~
- 12 ~~applicant's activities to be licensed under this~~
- 13 ~~chapter,]~~ principals, and each person who upon
- 14 approval of the application will be a principal
- 15 of the licensee;
- 16 ~~[-(E) The name, business and residence address, and~~
- 17 ~~employment history of any key shareholder of the~~
- 18 ~~applicant, for the period of five years before~~
- 19 ~~the date of the application;~~
- 20 ~~-(F)]~~ (E) For the five-year period prior to the date
- 21 of the application, the history of material





1 litigation involving, and criminal convictions  
2 of, [~~every executive officer or key shareholder~~]  
3 each principal of the applicant;  
4 [~~(G)~~] (F) A copy of the applicant's most recent  
5 audited financial statement, including balance  
6 sheets, statements of income or loss, statements  
7 of changes in shareholder equity and statements  
8 of changes in financial position, and, if  
9 available, the applicant's audited financial  
10 statements for the preceding two-year period or,  
11 if the applicant is a wholly owned subsidiary of  
12 another corporation, either the parent  
13 corporation's consolidated audited financial  
14 statements for the current year and for the  
15 preceding two-year period, or the parent  
16 corporation's Form 10-K reports filed with the  
17 United States Securities and Exchange Commission  
18 for the prior three years in lieu of the  
19 applicant's financial statements, or if the  
20 applicant is a wholly owned subsidiary of a  
21 corporation having its principal place of



1 business outside the United States, similar  
2 documentation filed with the parent corporation's  
3 non-United States regulator;

4 ~~[-(H)]~~ (G) Copies of all filings, if any, made by the  
5 applicant with the United States Securities and  
6 Exchange Commission, or with a similar regulator  
7 in a country other than the United States, within  
8 the year preceding the date of filing of the  
9 application; and

10 ~~[-(I)]~~ (H) Information necessary to conduct a criminal  
11 history record check in accordance with section  
12 846-2.7 of each ~~[of the executive officers, key~~  
13 ~~shareholders, and managers who will be in charge~~  
14 ~~of the applicant's activities,]~~ person who upon  
15 approval of the application will be a principal  
16 of the licensee, accompanied by the appropriate  
17 payment of the applicable fee for each record  
18 check; and

19 (3) If the applicant is not a corporation, the applicant  
20 shall also provide:



- 1 (A) The name, business and residence address,  
2 personal financial statement, and employment  
3 history, for the past five years, of each  
4 principal of the applicant;
- 5 (B) The name, business and residence address, and  
6 employment history, for the past five years, of  
7 any other persons who upon approval of the  
8 application will be [~~in charge of the applicant's~~  
9 ~~activities to be licensed under this chapter;~~] a  
10 principal of the licensee;
- 11 (C) The place and date of the applicant's  
12 registration or qualification to do business in  
13 this State;
- 14 (D) The history of material litigation and criminal  
15 convictions for the five-year period before the  
16 date of the application for each [~~individual~~  
17 ~~having any ownership interest in~~] principal of  
18 the applicant [~~and each individual who exercises~~  
19 ~~supervisory responsibility over the applicant's~~  
20 ~~activities~~];



- 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 section
- 8 846-2.7 of each principal of the applicant,
- 9 accompanied by the appropriate payment of the
- 10 applicable fee for each record check."

11 SECTION 5. Section 489D-12, Hawaii Revised Statutes, is  
 12 amended by amending subsection (b) to read as follows:

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

- 16 (1) A copy of the licensee's most recent audited annual
- 17 financial statement, including balance sheets,
- 18 statement of income or loss, statement of changes in
- 19 shareholder's equity, and statement of cash flows or,
- 20 if a licensee is a wholly owned subsidiary of another
- 21 corporation, the consolidated audited annual financial



1 statement of the parent corporation in lieu of the  
2 licensee's audited annual financial statement;

3 (2) For the most recent quarter for which data is  
4 available prior to the date of filing the annual  
5 report, but in no event more than one hundred twenty  
6 days prior to the renewal date, the licensee shall  
7 provide the number of money transmissions sold,  
8 issued, or received for transmission by the licensee  
9 in the State, the dollar amount of those  
10 transmissions, and the dollar amounts of outstanding  
11 payment [~~instruments currently outstanding,~~]  
12 obligations;

13 (3) Any material changes to any of the information  
14 submitted by the licensee on its original application  
15 that have not previously been reported to the  
16 commissioner on any other report required to be filed  
17 under this chapter;

18 (4) For the most recent quarter for which data is  
19 available prior to the date of filing the annual  
20 report, but in no event more than one hundred twenty  
21 days prior to the renewal date, a list of the



- 1 licensee's permissible investments, including the  
2 total market value of each type of permissible  
3 investment, and the total dollar amount of all  
4 outstanding payment [~~instruments issued or sold by the~~  
5 ~~licensee in the United States;~~] obligations;
- 6 (5) A list of the locations, if any, within this State  
7 where business regulated by this chapter is being  
8 conducted by either the licensee or the licensee's  
9 authorized delegates;
- 10 (6) Disclosure of any pending or final suspension,  
11 revocation, or other enforcement action by any state  
12 or governmental authority;
- 13 (7) The licensee's evidence of a valid bond or other  
14 security device as required pursuant to section  
15 489D-7; and
- 16 (8) Any other information the commissioner may require.
- 17 A license may be renewed by filing a renewal statement on a  
18 form prescribed by NMLS or by the commissioner and paying a  
19 renewal fee at least four weeks prior to the renewal date for  
20 licensure for the following year."



1 SECTION 6. Section 489D-14, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§489D-14 Extraordinary reporting requirements. Within  
4 fifteen business days of the occurrence of any one of the events  
5 listed below, a licensee shall file a written report with the  
6 commissioner describing the event and its expected impact on the  
7 licensee's activities in this State. These events are:

- 8 (1) Any material change in information provided in a  
9 licensee's application or annual report;
- 10 (2) The filing for bankruptcy or reorganization by the  
11 licensee;
- 12 (3) Pending or final revocation, suspension, or other  
13 enforcement action against the licensee by any state  
14 or governmental authority relating to the licensee's  
15 money transmission activities;
- 16 (4) Any felony indictment of the licensee or any of its  
17 [~~key shareholders,~~] principals [~~, executive officers,~~  
18 ~~or officers or managers in charge of the licensee's~~  
19 ~~activities,~~] related to money transmission activities;  
20 and



1           (5) Any felony conviction of the licensee or any of its  
2           ~~[key shareholders,]~~ principals ~~[, executive officers,~~  
3           ~~or officers or managers in charge of the licensee's~~  
4           ~~activities,]~~ related to money transmission  
5           activities."

6           SECTION 7. Section 489D-15, Hawaii Revised Statutes, is  
7           amended by amending subsection (b) to read as follows:

8           "(b) After review of a request for approval under  
9           subsection (a), the commissioner may require the licensee or  
10          person or group of persons requesting approval of a proposed  
11          change of control of the licensee, or both, to provide  
12          additional information concerning the persons who are to assume  
13          control of the licensee. The additional information shall be  
14          limited to similar information required of the licensee or  
15          persons in control of the licensee as part of its original  
16          license or renewal application under sections 489D-9 and  
17          489D-12. The information shall include the history of the  
18          material litigation and criminal convictions of ~~[the persons who~~  
19          ~~are to assume control]~~ each person who upon approval of the  
20          application for change of control will be a principal of the  
21          licensee, for the five-year period prior to the date of the





1 application for change of control of the licensee, and  
2 authorizations necessary to conduct criminal history record  
3 checks of such persons [~~who are to assume control of the~~  
4 ~~licensee]~~, accompanied by the appropriate payment of the  
5 applicable fee for each record check."

6 SECTION 8. Section 489D-18, Hawaii Revised Statutes, is  
7 amended by amending subsection (a) to read as follows:

8 "(a) Each licensee shall make, keep, preserve, and make  
9 available for inspection by the commissioner the following  
10 books, accounts, and other records for a period of three years:

- 11 (1) A record or records of each payment instrument;
- 12 (2) A general ledger containing all assets, liability,  
13 capital, income, and expense accounts that shall be  
14 posted at least monthly;
- 15 (3) Bank statements and bank reconciliation records;
- 16 (4) Records of all outstanding payment [~~instruments,~~  
17 obligations];
- 18 (5) Records of each payment instrument paid within the  
19 three-year period;
- 20 (6) A list of the names and addresses of all of the  
21 licensee's authorized delegates; and



1 (7) Any other records the commissioner reasonably requires  
2 by rule adopted pursuant to chapter 91."

3 SECTION 9. Section 489D-22.5, Hawaii Revised Statutes, is  
4 amended by amending subsection (b) to read as follows:

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

- 8 (1) The date of surrender;
- 9 (2) The name, address, telephone number, facsimile number,  
10 and electronic address of a contact individual with  
11 knowledge and authority sufficient to communicate with  
12 the commissioner regarding all matters relating to the  
13 licensee during the period that it was licensed  
14 pursuant to this chapter;
- 15 (3) The reason or reasons for surrender;
- 16 (4) Total dollar amount of the licensee's outstanding  
17 payment [~~instruments~~] obligations sold in Hawaii and  
18 the individual amounts of each outstanding  
19 [~~instrument,~~] payment obligation, and the name,  
20 address, and contact phone number of the licensee to



1           which each outstanding [~~instrument~~] payment obligation  
2           was assigned;

3           (5) A list of the licensee's Hawaii authorized delegates,  
4           if any, as of the date of surrender; and

5           (6) Confirmation that the licensee has notified each of  
6           its Hawaii authorized delegates, if any, that they may  
7           no longer conduct money transmissions on the  
8           licensee's behalf.

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

14          SECTION 10. Section 846-2.7, Hawaii Revised Statutes, is  
15          amended by amending subsection (b) to read as follows:

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

17          (1) The department of health or its designee on operators  
18          of adult foster homes for individuals with  
19          developmental disabilities or developmental  
20          disabilities domiciliary homes and their employees, as  
21          provided by section 321-15.2;



- 1           (2) The department of health or its designee on  
2           prospective employees, persons seeking to serve as  
3           providers, or subcontractors in positions that place  
4           them in direct contact with clients when providing  
5           non-witnessed direct mental health or health care  
6           services as provided by section 321-171.5;
- 7           (3) The department of health or its designee on all  
8           applicants for licensure or certification for,  
9           operators for, prospective employees, adult  
10          volunteers, and all adults, except adults in care, at  
11          healthcare facilities as defined in section 321-15.2;
- 12          (4) The department of education on employees, prospective  
13          employees, and teacher trainees in any public school  
14          in positions that necessitate close proximity to  
15          children as provided by section 302A-601.5;
- 16          (5) The counties on employees and prospective employees  
17          who may be in positions that place them in close  
18          proximity to children in recreation or child care  
19          programs and services;
- 20          (6) The county liquor commissions on applicants for liquor  
21          licenses as provided by section 281-53.5;



- 1           (7) The county liquor commissions on employees and  
2           prospective employees involved in liquor  
3           administration, law enforcement, and liquor control  
4           investigations;
- 5           (8) The department of human services on operators and  
6           employees of child caring institutions, child placing  
7           organizations, and foster boarding homes as provided  
8           by section 346-17;
- 9           (9) The department of human services on prospective  
10          adoptive parents as established under section  
11          346-19.7;
- 12          (10) The department of human services or its designee on  
13          applicants to operate child care facilities, household  
14          members of the applicant, prospective employees of the  
15          applicant, and new employees and household members of  
16          the provider after registration or licensure as  
17          provided by section 346-154, and persons subject to  
18          section 346-152.5;
- 19          (11) The department of human services on persons exempt  
20          pursuant to section 346-152 to be eligible to provide



- 1 child care and receive child care subsidies as  
2 provided by section 346-152.5;
- 3 (12) The department of health on operators and employees of  
4 home and community-based case management agencies and  
5 operators and other adults, except for adults in care,  
6 residing in community care foster family homes as  
7 provided by section 321-15.2;
- 8 (13) The department of human services on staff members of  
9 the Hawaii youth correctional facility as provided by  
10 section 352-5.5;
- 11 (14) The department of human services on employees,  
12 prospective employees, and volunteers of contracted  
13 providers and subcontractors in positions that place  
14 them in close proximity to youth when providing  
15 services on behalf of the office or the Hawaii youth  
16 correctional facility as provided by section 352D-4.3;
- 17 (15) The judiciary on employees and applicants at detention  
18 and shelter facilities as provided by section 571-34;
- 19 (16) The department of public safety on employees and  
20 prospective employees who are directly involved with  
21 the treatment and care of persons committed to a



1           correctional facility or who possess police powers  
2           including the power of arrest as provided by section  
3           353C-5;

4       (17) The board of private detectives and guards on  
5           applicants for private detective or private guard  
6           licensure as provided by section 463-9;

7       (18) Private schools and designated organizations on  
8           employees and prospective employees who may be in  
9           positions that necessitate close proximity to  
10          children; provided that private schools and designated  
11          organizations receive only indications of the states  
12          from which the national criminal history record  
13          information was provided pursuant to section 302C-1;

14       (19) The public library system on employees and prospective  
15          employees whose positions place them in close  
16          proximity to children as provided by section  
17          302A-601.5;

18       (20) The State or any of its branches, political  
19          subdivisions, or agencies on applicants and employees  
20          holding a position that has the same type of contact  
21          with children, vulnerable adults, or persons committed



1 to a correctional facility as other public employees  
2 who hold positions that are authorized by law to  
3 require criminal history record checks as a condition  
4 of employment as provided by section 78-2.7;

5 (21) The department of health on licensed adult day care  
6 center operators, employees, new employees,  
7 subcontracted service providers and their employees,  
8 and adult volunteers as provided by section 321-15.2;

9 (22) The department of human services on purchase of  
10 service contracted and subcontracted service providers  
11 and their employees serving clients of the adult  
12 protective and community services branch, as provided  
13 by section 346-97;

14 (23) The department of human services on foster grandparent  
15 program, senior companion program, and respite  
16 companion program participants as provided by section  
17 346-97;

18 (24) The department of human services on contracted and  
19 subcontracted service providers and their current and  
20 prospective employees that provide home and community-  
21 based services under section 1915(c) of the Social





1 Security Act, title 42 United States Code section  
2 1396n(c), or under any other applicable section or  
3 sections of the Social Security Act for the purposes  
4 of providing home and community-based services, as  
5 provided by section 346-97;

6 (25) The department of commerce and consumer affairs on  
7 proposed directors and executive officers of a bank,  
8 savings bank, savings and loan association, trust  
9 company, and depository financial services loan  
10 company as provided by section 412:3-201;

11 (26) The department of commerce and consumer affairs on  
12 proposed directors and executive officers of a  
13 nondepository financial services loan company as  
14 provided by section 412:3-301;

15 (27) The department of commerce and consumer affairs on the  
16 original chartering applicants and proposed executive  
17 officers of a credit union as provided by section  
18 412:10-103;

19 (28) The department of commerce and consumer affairs on:  
20 (A) Each principal of every non-corporate applicant  
21 for a money transmitter license;



- 1 (B) [~~The executive officers, key shareholders, and~~
- 2 ~~managers in charge of a money transmitter's~~
- 3 ~~activities of every] Each person who upon~~
- 4 approval of an application by a corporate
- 5 applicant for a money transmitter license [7 and]
- 6 will be a principal of the licensee; and
- 7 (C) [~~The persons who are to assume control of a money~~
- 8 ~~transmitter licensee in connection with] Each~~
- 9 person who upon approval of an application
- 10 requesting approval of a proposed change in
- 11 control of licensee [7] will be a principal of the
- 12 licensee,
- 13 as provided by sections 489D-9 and 489D-15;
- 14 (29) The department of commerce and consumer affairs on
- 15 applicants for licensure and persons licensed under
- 16 title 24;
- 17 (30) The Hawaii health systems corporation on:
- 18 (A) Employees;
- 19 (B) Applicants seeking employment;
- 20 (C) Current or prospective members of the corporation
- 21 board or regional system board; or



- 1 (D) Current or prospective volunteers, providers, or
- 2 contractors,
- 3 in any of the corporation's health facilities as
- 4 provided by section 323F-5.5;
- 5 (31) The department of commerce and consumer affairs on:
- 6 (A) An applicant for a mortgage loan originator
- 7 license; and
- 8 (B) Each control person, executive officer, director,
- 9 general partner, and manager of an applicant for
- 10 a mortgage loan originator company license,
- 11 as provided by chapter 454F;
- 12 (32) The state public charter school commission or public
- 13 charter schools on employees, teacher trainees,
- 14 prospective employees, and prospective teacher
- 15 trainees in any public charter school for any position
- 16 that places them in close proximity to children, as
- 17 provided in section 302D-33;
- 18 (33) The counties on prospective employees who work with
- 19 children, vulnerable adults, or senior citizens in
- 20 community-based programs;



- 1       (34) The counties on prospective employees for fire  
2           department positions which involve contact with  
3           children or vulnerable adults;
- 4       (35) The counties on prospective employees for emergency  
5           medical services positions which involve contact with  
6           children or vulnerable adults;
- 7       (36) The counties on prospective employees for emergency  
8           management positions and community volunteers whose  
9           responsibilities involve planning and executing  
10          homeland security measures including viewing,  
11          handling, and engaging in law enforcement or  
12          classified meetings and assisting vulnerable citizens  
13          during emergencies or crises;
- 14       (37) The State and counties on employees, prospective  
15           employees, volunteers, and contractors whose position  
16           responsibilities require unescorted access to secured  
17           areas and equipment related to a traffic management  
18           center;
- 19       (38) The State and counties on employees and prospective  
20           employees whose positions involve the handling or use  
21           of firearms for other than law enforcement purposes;



- 1       (39) The State and counties on current and prospective
- 2           systems analysts and others involved in an agency's
- 3           information technology operation whose position
- 4           responsibilities provide them with access to
- 5           proprietary, confidential, or sensitive information;
- 6       (40) The department of commerce and consumer affairs on
- 7           applicants for real estate appraiser licensure or
- 8           certification as provided by chapter 466K;
- 9       (41) The department of health or its designee on all
- 10          license applicants, licensees, employees, contractors,
- 11          and prospective employees of medical marijuana
- 12          dispensaries, and individuals permitted to enter and
- 13          remain in medical marijuana dispensary facilities as
- 14          provided under sections 329D-15(a)(4) and
- 15          329D-16(a)(3);
- 16       (42) The department of commerce and consumer affairs on
- 17          applicants for nurse licensure or license renewal,
- 18          reactivation, or restoration as provided by sections
- 19          457-7, 457-8, 457-8.5, and 457-9;
- 20       [+] (43) [+] The county police departments on applicants for
- 21          permits to acquire firearms pursuant to section 134-2



1 and on individuals registering their firearms pursuant  
2 to section 134-3;

3 ~~[(44)]~~ The department of commerce and consumer affairs on:

4 (A) Each of the controlling persons of the applicant  
5 for licensure as an escrow depository, and each  
6 of the officers, directors, and principals who  
7 will be in charge of the escrow depository's  
8 activities upon licensure; and

9 (B) Each of the controlling persons of an applicant  
10 for proposed change in control of an escrow  
11 depository licensee, and each of the officers,  
12 directors, and principals who will be in charge  
13 of the licensee's activities upon approval of  
14 such application,

15 as provided by chapter 449; and

16 ~~[(45)]~~ Any other organization, entity, or the State, its  
17 branches, political subdivisions, or agencies as may  
18 be authorized by state law."

19 SECTION 11. (a) There is established the decentralized  
20 virtual currency working group to be placed with the department  
21 of commerce and consumer affairs for administrative purposes.



1 (b) The working group shall study whether decentralized  
2 currency virtual currency should be regulated under the money  
3 transmitters act pursuant to chapter 489D, Hawaii Revised  
4 Statutes, or remain unregulated by state government.

5 (c) The commissioner of financial institutions shall serve  
6 as chair of the working group and shall select the members of  
7 the working group.

8 (d) No member of the working group shall be made subject  
9 to chapter 84, Hawaii Revised Statutes, solely because of the  
10 member's participation as a member of the working group. The  
11 working group shall be exempt from chapter 92, Hawaii Revised  
12 Statutes. Members of the working group shall serve without  
13 compensation but shall be reimbursed for expenses, including  
14 travel expenses, necessary for the performance of their duties.

15 (e) The working group shall be dissolved on June 30, 2018.

16 (f) The working group shall submit a report of its  
17 findings and recommendations, including any proposed  
18 legislation, to the legislature no later than twenty days prior  
19 to the convening of the regular session of 2018.

20 SECTION 12. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.



1 SECTION 13. This Act shall take effect on July 1, 2090;  
2 provided that section 5 shall take effect on November 1, 2017,  
3 for all licensees that are licensed under chapter 489D, Hawaii  
4 Revised Statutes, as of July 1, 2017.





**Report Title:**

Money Transmitters; Change in Control; Division of Financial Institutions; Criminal History Record Check; Outstanding Payment Instruments

**Description:**

Clarifies and strengthens the Money Transmitters Act. Clarifies that decentralized virtual currency activities are not subject to the Money Transmitters Act. Establishes the Decentralized Virtual Currency Working Group. (SB949 HD1)

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

