

STAND. COM. REP. NO. 1019

Honolulu, Hawaii

MAR 19 2021

RE: H.B. No. 943  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 943, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO NONDEPOSITORY TRUSTS,"

begs leave to report as follows:

The purpose and intent of this measure is to establish provisions concerning nondepository trust companies, including powers and duties, yearly assessment calculations, and paid-in-capital and surplus requirements.

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

Your Committee finds that there is a growing "gap" group of consumers in Hawaii who need assistance managing their assets but do not meet the customer criteria for asset management services by banks or large investment firms, as their home may be their primary source of wealth. These consumers include kupuna, individuals who have a mental or physical impairment, individuals who are a ward of the State, or those who otherwise do not have a qualified or trusted family member or friend to help them manage their finances. Nondepository trust companies serve as fiduciaries in the administration and management of assets and operate similarly to a bank trust department, but do not take deposits or make loans. This measure will enable nondepository




trust companies to serve this "gap" group of consumers and establishes the appropriate fee structure based on the fiduciary activity and risk profile of nondepository trust companies.

Your Committee has amended this measure by:

- (1) Inserting language authorizing the Department of Commerce and Consumer Affairs Division of Financial Institutions to expend \$4,000 of the fees collected to administer the nondepository trust company program established by this measure;
- (2) Inserting an effective date of July 1, 2021; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 943, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 943, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

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

  
\_\_\_\_\_  
ROSALYN H. BAKER, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <b>HB943 HD1</b>	Committee Referral: <b>CPN, WAM</b>	Date: <b>03.16.2021</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
CHANG, Stanley (VC)	/			
MISALUCHA, Bennette E.	/			
NISHIHARA, Clarence K.	/			
RIVIERE, Gil	/			
SAN BUENAVENTURA, Joy A.	/			
FEVELLA, Kurt	/			
<b>TOTAL</b>	<b>7</b>	-	-	-
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">           Clarence K. Nishihara         </div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes