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# A BILL FOR AN ACT

RELATING TO FINANCIAL INSTITUTIONS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Section 412:2-105, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "~~§412:2-105 Fees [and], assessments[-], and fines.~~ (a)

4 The commissioner [~~may charge an examination fee based upon the~~  
5 ~~cost per hour per examiner for all financial institutions~~  
6 ~~examined by the commissioner or the commissioner's staff.~~

7 ~~Effective July 1, 1995, the hourly fee shall be \$40. After July~~  
8 ~~1, 1996, the commissioner may establish, increase, decrease, or~~  
9 ~~repeal the hourly fee when necessary pursuant to rules adopted~~  
10 ~~in accordance with chapter 91.] shall collect fees as follows:~~

11 (1) A nonrefundable fee of \$10,000 for the review and  
12 preliminary approval by the commissioner for the  
13 organization of a bank, savings bank, savings and loan  
14 association, trust company, or depository financial  
15 services loan company. In addition, the applicant  
16 shall be charged a fee of \$60 per employee hour in  
17 excess of one hundred sixty hours for the review of  
18 the application and attendant investigations. The



1 aggregate fee shall not exceed \$20,000. The  
2 additional fee will be billed and shall be paid before  
3 preliminary approval is provided;

4 (2) A nonrefundable fee of \$2,500 for the review and  
5 approval by the commissioner of the final application  
6 for a charter or license to engage in the business of  
7 a bank, savings bank, savings and loan association,  
8 trust company, or depository financial services loan  
9 company;

10 (3) A nonrefundable fee of \$10,000 for the review and  
11 approval by the commissioner of an application for a  
12 new nondepository financial services loan company. In  
13 addition, the applicant shall be charged a fee of \$60  
14 per employee hour in excess of one hundred sixty hours  
15 for the review of the application and attendant  
16 investigations. The aggregate fee shall not exceed  
17 \$20,000. The additional fee will be billed and shall  
18 be paid before the application is approved;

19 (4) \$5,000 for the review and approval by the commissioner  
20 for a conversion to a state-chartered institution;

21 (5) \$1,000 for the review and approval by the commissioner  
22 to establish a new branch for a financial institution;



- 1       (6) A nonrefundable fee of \$10,000 for the review and  
2       approval by the commissioner of a merger or  
3       consolidation. In addition, the applicant shall be  
4       charged a fee of \$60 per employee hour in excess of  
5       one hundred sixty hours for the review of the  
6       application and attendant investigations. The  
7       aggregate fee shall not exceed \$20,000. The  
8       additional fee will be billed and shall be paid before  
9       the approval is granted;
- 10       (7) \$1,000 for the review and approval by the commissioner  
11       for the relocation of a principal office, branch, or  
12       agency;
- 13       (8) \$200 for the review and approval by the commissioner  
14       for the opening or relocating of an out-of-state  
15       branch or agency;
- 16       (9) \$200 for the review and approval by the commissioner  
17       for the opening or relocating of a support facility;
- 18       (10) \$1,000 for the review and approval by the commissioner  
19       for the issuance of preferred stock, decrease in  
20       authorized capital stock or par value of capital  
21       stock, or decrease in outstanding capital stock by the  
22       acquisition of the Hawaii stock financial



- 1           institution's own shares pursuant to section 412:3-  
2           402(3) and (4);
- 3       (11) \$2,000 for the review and approval by the commissioner  
4           for the acquisition by any bank, savings bank, or  
5           savings and loan association of any federal power  
6           pursuant to section 412:5-201, 412:6-201, 412:7-201,  
7           or 412:10-201;
- 8       (12) \$2,000 for the review and approval by the commissioner  
9           for a bank to accept drafts or bills of exchange in an  
10           amount not exceeding at any time in the aggregate two  
11           hundred per cent of its capital and surplus pursuant  
12           to section 412:5-204;
- 13       (13) \$5,000 for the review and approval by the commissioner  
14           for a bank to conduct a trust business through a  
15           subsidiary, division, or department of the bank  
16           pursuant to 412:5-205;
- 17       (14) \$5,000 for the review and approval by the commissioner  
18           for a bank to conduct insurance activities pursuant to  
19           section 412:5-205.5;
- 20       (15) \$5,000 for the review and approval by the commissioner  
21           for a bank to engage in securities activities pursuant  
22           to section 412:5-205.7;



1       (16) \$2,000 for the review and approval by the commissioner  
2           for a bank to comply with lending limits applicable to  
3           national banking associations pursuant to section  
4           412:5-302;

5       (17) \$2,000 for the review and approval by the commissioner  
6           for a bank to exceed certain permitted investments  
7           pursuant to section 412:5-305(f) and (h);

8       (18) A nonrefundable fee of \$10,000 for the review and  
9           approval by the commissioner for an intra-Pacific bank  
10          or intra-Pacific bank holding company to engage in  
11          business in the State pursuant to sections 412:5-401  
12          and 412:5-402. In addition, the applicant shall be  
13          charged a fee of \$60 per employee hour in excess of  
14          one hundred sixty hours for the review of the  
15          application and attendant investigations. The  
16          aggregate fee shall not exceed \$20,000. The  
17          additional fee will be billed and shall be paid before  
18          preliminary approval is provided;

19       (19) \$5,000 for the review and approval by the commissioner  
20           for a bank to establish a corporation to engage in  
21           foreign or international banking and other foreign or



- 1           international financial activities pursuant to section  
2           412:5A-201;
- 3       (20) \$1,000 for the review and approval by the commissioner  
4           for an extension of time to sell stock acquired and  
5           held by an international banking corporation to  
6           prevent loss pursuant to section 412:5A-210;
- 7       (21) \$5,000 for the review and approval by the commissioner  
8           for the formation and ownership of a service  
9           corporation by a savings bank and approval of a  
10          service corporation to engage in certain activities  
11          pursuant to section 412:6-203;
- 12       (22) \$5,000 for the review and approval by the commissioner  
13          for a savings bank to acquire, establish, or hold the  
14          voting securities of an operating subsidiary pursuant  
15          to section 412:6-204;
- 16       (23) \$2,000 for the review and approval by the commissioner  
17          for a savings bank to abide by the lending limits of  
18          the national banking association rather than state  
19          limits prescribed by section 412:6-303;
- 20       (24) \$1,000 for the review and approval by the commissioner  
21          for a bank, savings bank, savings and loan  
22          association, trust company, or depository financial



1 services loan company to purchase, hold, convey, sell,  
2 or lease certain real or personal property in excess  
3 of stated limits pursuant to sections 412:5-305(f)(1)  
4 and (2), 412:6-306(f)(1) and (2), 412:7-306(f)(1) and  
5 (2), 412:8-301(f)(1) and (2), and 412:9-409(f)(1) and  
6 (2);

7 (25) \$1,000 for the review and approval of the commissioner  
8 for an extension of the time by which a bank, savings  
9 bank, savings and loan association, or depository  
10 financial services loan company must sell or exchange  
11 real property that was acquired as security for loans  
12 or in the collection of debts pursuant to sections  
13 412:5-305(f), 412:6-306(f), 412:7-306(g), and 412:9-  
14 409(f);

15 (26) \$1,000 for the review and approval of the commissioner  
16 for an extension of time for a bank, savings bank,  
17 savings and loan association, or depository financial  
18 services loan company to sell stock acquired or  
19 purchased to save a loss on a preexisting debt secured  
20 by the stock pursuant to sections 412:5-305(g), 412:6-  
21 306(g)(6), 412:7-306(g)(6), and 412:9-409(g)(2);



- 1        (27) \$1,000 for the review and approval of the commissioner  
2        for a savings bank to invest its own assets in  
3        residential properties in excess of two per cent of  
4        the savings bank's capital or an aggregate investment  
5        exceeding five per cent of the savings bank's capital  
6        and surplus pursuant to section 412:6-306(h);
- 7        (28) \$5,000 for the review and approval by the commissioner  
8        for the formation of a service corporation by a  
9        savings and loan association pursuant to section  
10       412:7-203;
- 11       (29) \$1,000 for the review and approval by the commissioner  
12       for banks and other trust companies in which a trust  
13       company may deposit its required reserves pursuant to  
14       section 412:8-202;
- 15       (30) \$2,000 for the review and approval by the commissioner  
16       of an agreement between a trust company and any bank  
17       or national banking association to carry on trust  
18       services in the bank's or national banking  
19       association's name pursuant to section 412:8-204;
- 20       (31) \$100 for the review and approval by the commissioner  
21       for the annual licensing of a financial services loan  
22       company;





- 1        (32) \$2,000 for the review and approval by the commissioner  
2        for a financial services loan company to sell or  
3        refer, and collect premiums or fees for the sale or  
4        referral of, specified products and services pursuant  
5        to section 412:9-201(a);
- 6        (33) \$2,000 for the review and approval by the commissioner  
7        for a financial services loan company to issue standby  
8        letters of credit pursuant to 412:9-201(c);
- 9        (34) \$5,000 for the review and approval by the commissioner  
10       for depository financial services loan companies to  
11       sell fixed rate annuities and collect premiums and  
12       fees for the sale or referral of those fixed rate  
13       annuities and the imposition of conditions and  
14       restrictions that are in the public interest pursuant  
15       to section 412:9-400;
- 16       (35) \$5,000 for the review and approval of the commissioner  
17       for a depository financial services loan company to  
18       deposit its cash reserves in United States branches of  
19       non-United States banks pursuant to section 412:9-  
20       401(b);
- 21       (36) \$2,000 for the review and approval by the commissioner  
22       of irrevocable lines of credit of one year or more



- 1           used as reserves for depository financial services  
2           loan companies pursuant to section 412:9-401(c);  
3       (37) \$5,000 for the review and approval by the commissioner  
4           for one or more depository financial services loan  
5           companies to form and own a service corporation  
6           pursuant to section 412:9-403;  
7       (38) \$1,000 for the review and approval by the commissioner  
8           for a proposed change in a credit union's field of  
9           membership pursuant to section 412:10-109(h);  
10       (39) A nonrefundable fee of \$10,000 for the review and  
11           approval by the commissioner of an application for an  
12           interstate merger transaction submitted by an out-of-  
13           state bank pursuant to section 412:12-104. In  
14           addition, the applicant shall be charged a fee of \$60  
15           per employee hour in excess of one hundred sixty hours  
16           for the review of the application and attendant  
17           investigations. The aggregate fee shall not exceed  
18           \$20,000. The additional fee will be billed and shall  
19           be paid before the approval is granted;  
20       (40) \$1,000 for the review and approval by the commissioner  
21           of an application for a charter of a credit union; and



1        (41) \$100 for the review and approval by the commissioner  
2                    of a request to use of the terms listed in section  
3                    412:1-104.

4        (b) In addition to the examination fee, the commissioner  
5 [may] shall charge any financial institution examined or  
6 investigated by the commissioner or the commissioner's staff,  
7 additional amounts for travel, per diem, mileage, and other  
8 reasonable expenses incurred in connection with the examination.

9        (c) The commissioner shall bill the affected financial  
10 institution for examination fees and expenses as soon as  
11 feasible after the close of the examination or investigation.  
12 The affected financial institution shall pay the division of  
13 financial institutions within thirty days following the billing.  
14 All such payments shall be deposited to the compliance  
15 resolution fund established pursuant to section 26-9(o). All  
16 disputes relating to these billings between the affected  
17 financial institution and the commissioner shall be resolved in  
18 accordance with the procedures for contested cases under chapter  
19 91.

20        [~~(d) The commissioner, by rules adopted in accordance with~~  
21 ~~chapter 91, may set reasonable fee amounts to be collected by~~  
22 ~~the division in connection with its regulatory functions,~~



1 ~~including, without limitation, any fees for renewals,~~  
2 ~~applications, licenses, and charters. Unless otherwise provided~~  
3 ~~by statute, all such fees shall be deposited into the compliance~~  
4 ~~resolution fund established pursuant to section 26-9(o).~~

5 ~~(e)]~~ (d) A Hawaii financial institution that fails to make  
6 a payment required by this section shall be subject to an  
7 administrative fine of not more than \$250 per day for each day  
8 it is in violation of this section~~[, which fine, together with~~  
9 ~~the amount due under this section, may be recovered pursuant to~~  
10 ~~section 412:2-611 and shall be deposited into the compliance~~  
11 ~~resolution fund established pursuant to section 26-9(o)]."~~

12 SECTION 2. Section 412:2-109, Hawaii Revised Statutes, is  
13 amended by amending subsection (g) to read as follows:

14 "(g) The commissioner may ~~[annually]~~ charge each financial  
15 institution subject to examination by the commissioner ~~[the sum~~  
16 ~~of \$500 plus \$100 for each office, agency, and branch office~~  
17 ~~maintained by the financial institution, payment of which shall~~  
18 ~~be made]~~ an annual fee which shall be paid before July 2 ~~[and~~  
19 ~~thereafter credited to the compliance resolution fund. The~~  
20 ~~commissioner may establish, increase, decrease, or repeal this~~  
21 ~~fee when necessary pursuant to rules adopted in accordance with~~  
22 ~~chapter 91.]~~ of each year and shall be as follows:



- 1        (1) \$5,000 for financial institutions with assets of at
- 2                least \$500,000 but less than \$10,000,000 for the
- 3                previous calendar year ending December 31;
- 4        (2) \$7,500 for financial institutions with assets of at
- 5                least \$10,000,000 but less than \$100,000,000 for the
- 6                previous calendar year ending December 31;
- 7        (3) \$10,000 for financial institutions with assets of at
- 8                least \$100,000,000 but less than \$750,000,000 for the
- 9                previous calendar year ending December 31;
- 10       (4) \$12,500 for financial institutions with assets of at
- 11               least \$750,000,000 but less than \$5,000,000,000 for
- 12               the previous calendar year ending December 31; and
- 13       (5) \$15,000 for financial institutions with assets of at
- 14               least \$5,000,000,000 for the previous calendar year
- 15               ending December 31."

16        SECTION 3. Section 412:2-508, Hawaii Revised Statutes, is  
 17 amended by amending subsection (b) to read as follows:

18        "(b) Applications for a provisional approval shall be  
 19 filed with the commissioner, and shall provide the information  
 20 required by this chapter for preliminary approval to organize  
 21 the type of financial institution that will result from the  
 22 merger or acquisition under this part. The applicant shall also



1 furnish such other information as the commissioner may require,  
2 and an application fee [~~as established by the commissioner.~~]  
3 pursuant to section 412:2-105."

4 SECTION 4. Section 412:3-102, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 "**§412:3-102 Change of name.** To change its name, a Hawaii  
7 financial institution shall file with the commissioner an  
8 application [~~with the commissioner and pay the fees as the~~  
9 ~~commissioner may establish.~~] accompanied by an application fee  
10 pursuant to section 412:2-105. The application shall be  
11 approved if the commissioner is satisfied that the new name  
12 complies with this chapter and chapter 414. Any change of name  
13 of a stock financial institution pursuant to this section shall  
14 be effected in accordance with chapter 414. Any change of name  
15 shall not affect a financial institution's rights, liabilities,  
16 or obligations existing prior to the effective date thereof, and  
17 no documents of transfer shall be necessary to preserve the  
18 rights, liabilities, or obligations; provided that the  
19 commissioner may require notice to be given to the public and  
20 other governmental agencies."

21 SECTION 5. Section 412:3-212, Hawaii Revised Statutes, is  
22 amended by amending subsection (c) to read as follows:



1           "(c) If the commissioner is satisfied that the financial  
2 institution and, if applicable, its holding company have  
3 fulfilled all the requirements of law and the grounds for  
4 preliminary approval, and that the financial institution is  
5 qualified to engage in the business of a financial institution,  
6 the commissioner shall issue a written decision and order  
7 approving the application. The order may restrict the payment  
8 of dividends for a period of up to three years, and may contain  
9 any other conditions and restrictions on the financial  
10 institution that are in the public interest, including [~~but not~~  
11 ~~limited to~~] the divestment of any contractual arrangement with  
12 an affiliate or subsidiary involving any type of business not  
13 permitted under this chapter. Upon the satisfactory fulfillment  
14 by the financial institution and, if applicable, its holding  
15 company of the conditions in the written decision and order  
16 approving the application and upon the payment by a depository  
17 financial services loan company of [~~an~~] the initial license fee  
18 [~~established by rule pursuant to chapter 91,~~] pursuant to  
19 section 412:2-105, the commissioner shall issue to the financial  
20 institution a charter or license to engage in the business of a  
21 financial institution under this chapter."



1 SECTION 6. Section 412:3-301, Hawaii Revised Statutes, is  
2 amended by amending subsection (c) to read as follows:

3 "(c) The application shall be submitted on a form  
4 prescribed by the commissioner[~~-. The application~~] and shall be  
5 accompanied by an application fee [~~of \$5,000, or such greater~~  
6 ~~amount as the commissioner shall establish by rule pursuant to~~  
7 ~~chapter 91. The application fee shall not be refundable.~~]  
8 pursuant to section 412:2-105."

9 SECTION 7. Section 412:3-304, Hawaii Revised Statutes, is  
10 amended by amending subsection (b) to read as follows:

11 "(b) If the commissioner is satisfied that the applicant  
12 has fulfilled all the requirements of law and is qualified to  
13 engage in the business of a nondepository financial services  
14 loan company, the commissioner shall issue a written decision  
15 and order approving the application. Upon the approval of the  
16 application, the payment of [~~an initial~~] the license fee  
17 [~~established by rule pursuant to chapter 91,~~] pursuant to  
18 section 412:2-105, and, if applicable, upon providing  
19 satisfactory evidence to the commissioner of compliance with the  
20 requirements of chapter 414 relating to foreign corporations,  
21 the commissioner shall issue to the applicant a license to





1 engage in the business of a nondepository financial services  
2 loan company under this chapter."

3 SECTION 8. Section 412:3-503, Hawaii Revised Statutes, is  
4 amended by amending subsections (b) and (c) to read as follows:

5 "(b) The institution shall file an application with the  
6 commissioner. The application shall be in a form prescribed by  
7 the commissioner and shall be accompanied by [a] an application  
8 fee [the amount of which shall be established by rule.] pursuant  
9 to section 412:2-105. The application shall contain the  
10 following information:

- 11 (1) The name of the financial institution;
- 12 (2) The specific location of the proposed site of the  
13 principal office, branch, or agency;
- 14 (3) The anticipated opening date and, if open for a  
15 specified period, the end of such period;
- 16 (4) The nature of the business or transactions intended to  
17 be carried on at the location;
- 18 (5) Facts showing the necessity or justification for the  
19 proposed site and that there is a reasonable assurance  
20 of sufficient volume of business so that opening and  
21 maintaining the proposed business location will not



1           jeopardize the solvency of the financial institution;  
2           and

3           (6) Any other information that the commissioner may  
4           require.

5           (c) If after appropriate examination and investigation,  
6 the commissioner is satisfied that the proposed opening or  
7 relocation is justified and proper, the commissioner shall  
8 approve the application in writing, with any conditions as the  
9 commissioner deems appropriate. Upon payment by a financial  
10 services loan company of the initial license fee for the new  
11 branch or agency, or the reissuance of license fee for the  
12 relocated office [~~as established by rule pursuant to chapter~~  
13 ~~91,~~] pursuant to section 412:2-105, the commissioner shall issue  
14 a license for the new or relocated office."

15           SECTION 9. Section 412:3-505, Hawaii Revised Statutes, is  
16 amended to read as follows:

17           "**§412:3-505 Opening or relocating out-of-state branch or**  
18 **agency.** With the commissioner's prior written approval, a  
19 Hawaii financial institution may open or relocate a branch or  
20 agency that is outside of this State, including [~~but not limited~~  
21 ~~to~~] any state, possession, or territory of the United States or  
22 any foreign country. An application to open or relocate an out-

1 of-state branch or agency shall be filed in accordance with  
2 section 412:3-503 [~~and the commissioner may assess the financial~~  
3 ~~institution any additional expenses as may be reasonably~~  
4 ~~necessary to consider the application.~~] and be accompanied by a  
5 fee pursuant to section 412:2-105."

6 SECTION 10. Section 412:3-506, Hawaii Revised Statutes, is  
7 amended to read as follows:

8 "**§412:3-506 Opening or relocating a support facility.** A  
9 Hawaii financial institution that opens or relocates a support  
10 facility shall, within thirty days thereafter, submit a letter  
11 to the commissioner [~~containing the following information:~~]  
12 including:

- 13 (1) The location of the support facility;
- 14 (2) A description of the type of functions [~~which~~] that  
15 the support facility will perform; [~~and~~]
- 16 (3) The date or anticipated date of opening or  
17 relocation[~~-~~]; and
- 18 (4) The fee pursuant to section 412:2-105."

19 SECTION 11. Section 412:3-603, Hawaii Revised Statutes, is  
20 amended to read as follows:

21 "**§412:3-603 Procedure for applications pursuant to this**  
22 **part.** Whenever the written approval of the commissioner is



1 required with respect to any transaction covered by this part,  
2 the following procedures shall apply:

3 (1) An application for approval by the commissioner  
4 pursuant to this part shall be on a form prescribed by  
5 the commissioner and shall contain any information,  
6 data, and records as the commissioner may require[-],  
7 and shall be accompanied by a nonrefundable  
8 application fee pursuant to section 412:2-105. As far  
9 as possible consistent with the effective discharge of  
10 the commissioner's responsibilities, the commissioner  
11 shall prescribe the use of forms currently prescribed  
12 by the appropriate federal regulatory agency of  
13 financial institutions and financial institution  
14 holding companies for identical or similar types of  
15 transactions[~~. The application shall be accompanied~~  
16 ~~by an application fee established by the commissioner~~  
17 ~~pursuant to section 412:2 105. The application fee~~  
18 ~~shall not be refundable];~~

19 (2) If any material change occurs in the facts set forth  
20 in an application, or if for any other reason the  
21 applicant desires to amend the application, an  
22 amendment setting forth any change, together with



1 copies of all documents and other material relevant to  
2 the change, shall be filed with the commissioner.

3 Within twenty days after receiving an application or  
4 any amendment thereto, the commissioner may request  
5 any additional information necessary in deciding  
6 whether to approve a proposed transaction pursuant to  
7 this part. The applicant shall submit the additional  
8 information in a reasonable time thereafter, as may be  
9 specified by the commissioner;

10 (3) If the commissioner would approve a plan of  
11 conversion, merger, or consolidation, an acquisition  
12 of assets or assumption of liabilities, an acquisition  
13 of control, or a voluntary cessation of business or  
14 voluntary dissolution, but on terms different than  
15 contained in the application, the commissioner may  
16 give notice to the applicant of the nature of the  
17 changes [~~which~~] that would be approved, and the  
18 applicant may submit an amended application;

19 (4) If the commissioner intends to disapprove an  
20 application, the commissioner shall deliver to the  
21 applicant a written notice of the intent to  
22 disapprove. Within ten days after receipt of the



1 commissioner's notice of intent to disapprove an  
2 application, the applicant may request an  
3 administrative hearing, to be held in accordance with  
4 chapter 91. If no request for a hearing is made, the  
5 commissioner's disapproval shall become final. If  
6 after the hearing the commissioner finally disapproves  
7 the application, the applicant may, within thirty days  
8 of the date of the final decision, appeal to the  
9 circuit court as provided in chapter 91;

- 10 (5) Notwithstanding any other provision of this part, any  
11 complete application [~~which~~] that is not approved or  
12 denied by the commissioner within a period of sixty  
13 days after the application is filed with the  
14 commissioner or, if the applicant consents to an  
15 extension of the period within which the commissioner  
16 may act, within the extended period, shall be deemed  
17 to be approved by the commissioner as of the first day  
18 after the period of sixty days or the extended period.  
19 If the commissioner gives notice of an informational  
20 and comment proceeding on the application, the sixty-  
21 day period shall be extended to a date as may be fixed  
22 by order of the commissioner. For purposes of this



1 section, an application is deemed to be filed with the  
2 commissioner at the time when the complete  
3 application, including any amendments or supplements,  
4 containing all of the information in the form required  
5 by the commissioner, is received and accepted by the  
6 commissioner; and

- 7 (6) Any applicant submitting information to the  
8 commissioner pursuant to this part may request that  
9 the information, or any part thereof, be kept  
10 confidential. The request shall be made in writing  
11 and shall set forth the specific items sought to be  
12 kept confidential and the reasons and authority for  
13 the confidential treatment. The commissioner may,  
14 pursuant to a request or otherwise, determine that  
15 good cause exists to keep some or all of the  
16 information confidential, and shall keep the  
17 information confidential and not subject to public  
18 disclosure. In connection with an application for the  
19 acquisition of control pursuant to section 412:3-612,  
20 the commissioner may release information to the  
21 affected financial institution or financial



1 institution holding company with a directive that some  
2 or all of the information be kept confidential."

3 SECTION 12. Section 412:5-203, Hawaii Revised Statutes, is  
4 amended by amending subsection (d) to read as follows:

5 "(d) The bank shall file an application with the  
6 commissioner in a form approved by the commissioner. The  
7 application shall be accompanied by a fee [~~the amount of which~~  
8 ~~shall be prescribed by rule.~~] pursuant to section 412:2-105.

9 The application shall contain the following information  
10 concerning the proposed operating subsidiary:

- 11 (1) The name and date for commencement of operations;
- 12 (2) The specific location;
- 13 (3) The activities and nature of business;
- 14 (4) The ownership, amount, and nature of the investment;
- 15 and
- 16 (5) Any other information that the commissioner may  
17 require."

18 SECTION 13. Section 412:5-205, Hawaii Revised Statutes, is  
19 amended by amending subsection (b) to read as follows:

20 "(b) The bank shall file an application for such approval  
21 with the commissioner on a form prescribed by the commissioner,  
22 together with an application fee [~~of \$5,000, or such greater~~





1 ~~amount as the commissioner shall establish, no part of which~~  
2 ~~shall be refundable.] pursuant to section 412:2-105. The~~  
3 application shall contain the following information:

- 4 (1) Appropriate board resolutions authorizing the  
5 establishment of a trust company, division, or  
6 department;
- 7 (2) Employment history, education, management experience,  
8 and other biographical information for all executive  
9 officers, trust officers, and managers of the trust  
10 company, division, or department;
- 11 (3) Proposed policies concerning common trust funds,  
12 overdrafts, disaster recovery plans, dividends,  
13 management of assets and liabilities, conflicts of  
14 interest, investments, and fee schedules. The  
15 commissioner may consider any existing bank policies  
16 that will be adapted and [utilized] used for its trust  
17 business;
- 18 (4) A business plan and financial projections regarding  
19 profitability of the proposed trust business;
- 20 (5) Evidence that the bank has or will have the financial  
21 ability, responsibility, and experience to engage in  
22 the trust business; and



1 (6) Any other information [~~which~~] that the commissioner  
2 may require."

3 SECTION 14. Section 412:5-205.5, Hawaii Revised Statutes,  
4 is amended by amending subsection (c) to read as follows:

5 "(c) The bank shall file an application for approval with  
6 the commissioner in a form prescribed by the commissioner. The  
7 application shall be accompanied by a fee [~~the amount of which~~  
8 ~~shall be prescribed by rule.~~] pursuant to section 412:2-105.

9 The application shall contain:

- 10 (1) A description of the activities to be conducted;
- 11 (2) The experience and qualifications of the proposed  
12 managers;
- 13 (3) The specific location where the activities will be  
14 conducted; and
- 15 (4) Any other information that the commissioner may  
16 require.

17 If the bank proposes to engage in the business of insurance  
18 through a subsidiary or affiliate, then the application shall  
19 also contain information regarding the experience and  
20 qualifications of the proposed executive officers and directors  
21 of the subsidiary or affiliate and the ownership, amount, and  
22 nature of the bank's investment in and advances to the



1 subsidiary or affiliate. Upon being satisfied that the  
 2 application is complete, that the conduct of the insurance  
 3 business will not affect the safety or soundness of the bank or  
 4 harm the public interest, and that the bank and its subsidiary  
 5 or affiliate, if applicable, have sufficient experience,  
 6 qualifications, and financial capability to engage in the  
 7 activities authorized by this section, the commissioner shall  
 8 approve the application. The commissioner may impose any terms  
 9 and conditions [~~which~~] that the commissioner considers necessary  
 10 to protect the bank, the customers of the bank, and the public  
 11 interest."

12 SECTION 15. Section 412:5-205.7, Hawaii Revised Statutes,  
 13 is amended by amending subsection (c) to read as follows:

14 "(c) The bank shall file an application for approval with  
 15 the commissioner in a form prescribed by the commissioner[~~—The~~  
 16 ~~application shall be~~] and accompanied by a fee [~~the amount of~~  
 17 ~~which shall be prescribed by rule.~~] pursuant to section 412:2-  
 18 105. The application shall contain:

- 19 (1) A description of the activities to be conducted;
- 20 (2) The experience and qualifications of the proposed
- 21 managers;



1 (3) The specific location where the activities will be  
2 conducted; and

3 (4) Any other information that the commissioner may  
4 require.

5 If the bank proposes to engage in securities activities through  
6 a subsidiary or affiliate, then the application shall also  
7 contain information regarding the experience and qualifications  
8 of the proposed executive officers and directors of the  
9 subsidiary or affiliate and the ownership, amount, and nature of  
10 the bank's investment in and advances to the subsidiary or  
11 affiliate. Upon being satisfied that the application is  
12 complete, that the conduct of the securities activities will not  
13 affect the safety or soundness of the bank or harm the public  
14 interest, and that the bank and its subsidiary or affiliate, if  
15 applicable, have sufficient experience, qualifications, and  
16 financial capability to engage in the activities authorized by  
17 this section, the commissioner shall approve the application.  
18 The commissioner may impose any terms and conditions [~~which~~  
19 that the commissioner considers necessary to protect the bank,  
20 the customers of the bank, and the public interest."

21 SECTION 16. Section 412:6-201, Hawaii Revised Statutes, is  
22 amended by amending subsection (b) to read as follows:



1           "(b) Any savings bank desiring to acquire any federal  
2 power shall file an application with the commissioner. The  
3 application shall indicate the applicable federal statute, rule,  
4 regulation, interpretation, or court decision[~~7~~]; the extent of  
5 the federal power desired[~~7~~]; the reasons for the  
6 application[~~7~~]; and any other information requested by the  
7 commissioner. The commissioner may by rule prescribe the form  
8 of application [~~and application filing fees~~]."

9           SECTION 17. Section 412:9-102, Hawaii Revised Statutes, is  
10 amended to read as follows:

11           "**§412:9-102 Annual license fee.** On or before December 31  
12 of each year, each financial services loan company shall pay to  
13 the commissioner an annual license fee [~~of \$50~~] pursuant to  
14 section 412:2-105 for each license that it holds for the ensuing  
15 year. A financial services loan company whose application for a  
16 license was approved in December may pay to the commissioner the  
17 first annual license fee [~~of \$50~~] for the ensuing year on or  
18 before the expiration of thirty days after receiving notice of  
19 the approval of the financial services loan company's  
20 application."

21           SECTION 18. Section 412:12-105, Hawaii Revised Statutes,  
22 is amended by amending subsection (c) to read as follows:



1           "(c) An out-of-state bank desiring to establish and  
2 operate a branch or to acquire and operate a branch in this  
3 State pursuant to this section shall provide to the commissioner  
4 written notice of the proposed transaction not later than the  
5 date on which the bank applies to the responsible federal bank  
6 supervisory agency for approval to establish or acquire the  
7 branch. The filing of the notice shall be accompanied by a  
8 nonrefundable filing fee [~~of \$9,000 or a greater amount as the~~  
9 ~~commissioner may establish by rule pursuant to chapter 91. The~~  
10 ~~filing fee shall be nonrefundable.~~] pursuant to section 412:2-  
11 105."

12           SECTION 19. Section 412:13-202, Hawaii Revised Statutes,  
13 is amended to read as follows:

14           "**§412:13-202 Application to establish and maintain a**  
15 **branch or agency; contents.** [~~A foreign bank, in order to~~] To  
16 procure a license under this article [~~to establish and maintain~~]  
17 for the purpose of establishing and maintaining a Hawaii state  
18 branch or Hawaii state agency, a foreign bank shall submit an  
19 application to the commissioner, together with the application  
20 fee prescribed in section [~~412:13-206.~~] 412:2-105. The  
21 application shall contain:



1 (1) The same information as required by the Board of  
2 Governors of the Federal Reserve System for an  
3 application to establish a branch or agency, as the  
4 case may be, in the United States;

5 (2) If applicable, a statement under oath appointing an  
6 agent in this State for receipt of service of process  
7 in accordance with section 414-437, if the license is  
8 granted; and

9 (3) Any additional information that the commissioner may  
10 require."

11 SECTION 20. Section 412:13-216, Hawaii Revised Statutes,  
12 is amended by amending subsection (a) to read as follows:

13 "(a) The application for a license to establish and  
14 maintain a Hawaii representative office shall be in writing  
15 under oath and shall be in a form and contain any information  
16 [as] the commissioner may require by rule or order. The  
17 application shall be accompanied by a nonrefundable application  
18 fee [~~of \$1,500 or a greater amount as the commissioner may~~  
19 ~~establish by rule.~~] pursuant to section 412:2-105."

20 SECTION 21. Section 412:13-206, Hawaii Revised Statutes,  
21 is repealed.



1        [~~"[§412:13-206] Application fees. Upon applying to the~~  
2 ~~commissioner under this article for an initial license to~~  
3 ~~establish and maintain a Hawaii state branch or Hawaii state~~  
4 ~~agency, a foreign bank shall pay to the commissioner an~~  
5 ~~application fee of \$9,000 or a greater amount as the~~  
6 ~~commissioner shall establish by rule pursuant to chapter 91.~~  
7 ~~For an application to establish additional branches or agencies,~~  
8 ~~the foreign bank shall pay an application fee of \$1,500 or a~~  
9 ~~greater amount as may be established by rule. For an~~  
10 ~~application to amend a license, the foreign bank shall pay an~~  
11 ~~application fee of \$1,500 or a greater amount as may be~~  
12 ~~established by rule. All application fees shall be~~  
13 ~~nonrefundable." ]~~

14        SECTION 22. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16        SECTION 23. This Act shall take effect on July 1, 3000.





**Report Title:**

Financial Institutions; Fees

**Description:**

Adjusts regulatory fees for financial institutions to more accurately reflect today's economy. Effective July 1, 3000.  
(SB2761 HD1)

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

