

Honolulu, Hawaii

, 2020

FEB 05

RE: H.B. No. 1882

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1882 entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish a different regulatory framework for nondepository trust companies by:

- (1) Clarifying the powers and duties of nondepository trust companies;
- (2) Changing the yearly assessments on nondepository trust companies by basing its calculation on total assets under management; and
- (3) Establishing a paid-in capital and surplus requirement in order to charter nondepository trust companies in the State.

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

Your Committee finds that nondepository trust companies provide a valuable service to consumers who do not have assets



that would qualify for asset management by banks or large investment firms or do not have friends or family members to manage their assets.

Your Committee further finds that nondepository trust companies' main purpose is to serve as a fiduciary, acting as a trustee or guardian in the administration of funds, estates, and other related services. Your Committee, therefore, recognizes the important role of these entities and this measure's effort to promote their viability in the State.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1882, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1882, H.D. 1, and be referred to your Committee on Finance.

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



ROY M. TAKUMI, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 1882	Committee Referral: CPC, FIN	Date: 1/30/20		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	✓			
2. ICHIYAMA, Linda (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. BELATTI, Della Au				✓
5. CABANILLA ARAKAWA, Rida	✓			
6. CACHOLA, Romy M.	✓			
7. HAR, Sharon E.	✓			
8. KONG, Sam Satoru	✓			
9. MIZUNO, John M.				✓
10. ONISHI, Richard H.K.	✓			
11. MATSUMOTO, Lauren				✓
TOTAL (11)	9	0	0	3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>Linda L. Ching</i></u>				
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