

STAND. COM. REP. NO.

370

Honolulu, Hawaii

FEB 18 , 2021

RE: H.B. No. 943

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 943 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 the 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.

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

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investment firms or do not have friends or family members to manage their assets.

Your Committee further finds that the main purpose of nondepository trust companies 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 January 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. 943, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 943, 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,



AARON LONG JOHANSON, Chair



