

Honolulu, Hawaii

FEB 13 2020

RE: S.B. No. 2585  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred S.B. No. 2585 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:

- (1) Yearly assessments for nondepository trusts beginning July 1, 2021;
- (2) Paid-in-capital and surplus requirements for nondepository trust companies; and
- (3) Powers and duties of nondepository trust companies.

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

Your Committee finds that nondepository trust companies operate similarly to the trust department of a bank but do not take deposits or make loans. Nondepository trust companies can provide fiduciary oversight for consumers who do not have friends or family members to manage their assets, or whose assets do not qualify for asset management by banks or large investment firms. This measure establishes provisions concerning nondepository trust



companies to help provide services to this "gap group" of consumers, as chartered nondepository trust companies would provide a safe and sound alternative for kupuna and other individuals unserved or underserved in the community.

Your Committee has amended this measure by:

- (1) Inserting the definition for "total assets under management" into chapter 412, article 8, Hawaii Revised Statutes, rather than article 1 of this chapter, and making conforming amendments; and
- (2) Clarifying the definition of "nondepository trust company" to mean a company that is not authorized to accept deposits.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2585, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2585, 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, Consumer  
Protection, and Health,



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ROSALYN H. BAKER, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce, Consumer Protection, and Health**  
**CPH**

Bill / Resolution No.:* <div style="font-size: 1.5em; font-family: cursive;">SB 2585</div>	Committee Referral: <div style="font-size: 1.5em; font-family: cursive;">CPH, WAM</div>	Date: <div style="font-size: 1.5em; font-family: cursive;">2/6/20</div>		
<div><input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____</div>				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"><div><input type="checkbox"/> Pass, unamended 2312</div><div><input checked="" type="checkbox"/> Pass, with amendments 2311</div><div><input type="checkbox"/> Hold 2310</div><div><input type="checkbox"/> Recommit 2313</div></div>				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
CHANG, Stanley (VC)	✓			
NISHIHARA, Clarence K.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
WAKAI, Glenn	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	7			
Recommendation: <div style="display: flex; justify-content: space-around; align-items: center;"><div><input checked="" type="checkbox"/> Adopted</div><div><input type="checkbox"/> Not Adopted</div></div>				
Chair's or Designee's Signature: <div style="text-align: center; font-size: 1.5em; font-family: cursive;">[Signature]</div>				
Distribution: <div style="display: flex; justify-content: space-between; align-items: center;"><div>Original File with Committee Report</div><div>Yellow Clerk's Office</div><div>Pink Drafting Agency</div><div>Goldenrod Committee File Copy</div></div>				

\*Only one measure per Record of Votes