
A BILL FOR AN ACT

RELATING TO NONDEPOSITORY TRUSTS.

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

1 SECTION 1. Chapter 412, Hawaii Revised Statutes, is
2 amended by adding to article 8 a new part to be appropriately
3 designated and to read as follows:

4 "PART . NONDEPOSITORY TRUST COMPANIES

5 §412:8- Powers and duties. (a) Unless otherwise
6 prohibited or restricted by this section or any other law, a
7 nondepository trust company shall have the general powers
8 specified in section 412:8-200.

9 (b) Notwithstanding any other provision in this chapter, a
10 nondepository trust company shall not:

11 (1) Solicit, accept, or hold deposits;

12 (2) Engage in banking business;

13 (3) Engage in business for which a real estate broker's
14 license is required;

15 (4) Engage in any business for which an insurance producer
16 license is required; or



1 (5) Engage in any business of a securities broker or
2 dealer.

3 (c) A nondepository trust company shall not itself
4 perform, and instead shall contract for, the following services
5 for its clients, if needed:

6 (1) Financial advisors for client investments;

7 (2) Property management for client rental properties; or

8 (3) Real estate brokerages for client real estate
9 transactions.

10 (d) A nondepository trust company shall be responsible for
11 the performance of the service providers that it engages for its
12 clients."

13 SECTION 2. Section 412:1-109, Hawaii Revised Statutes, is
14 amended by adding a new definition to be appropriately inserted
15 and to read as follows:

16 "Total assets under management" means the total market
17 value of the assets that a trust company oversees, administers,
18 or manages on behalf of its clients pursuant to its fiduciary
19 and trust powers in article 8, including assets for which a
20 trust company has engaged a third-party platform investment,
21 property management services, or real estate services."



1 SECTION 3. Section 412:2-105.2, Hawaii Revised Statutes,
2 is amended to read as follows:

3 "§412:2-105.2 Hawaii financial institutions; assessments;
4 fees; penalty. (a) Beginning January 1, 2014, every Hawaii
5 financial institution shall be assessed a yearly fee in
6 accordance with the following:

7 (1) For financial institutions with total assets under
8 \$750,000, the assessment shall be the sum of \$1,000
9 plus the product of 0.00029111 times total assets;

10 (2) For financial institutions with total assets of at
11 least \$750,000 but under \$7,500,000, the assessment
12 shall be the sum of \$2,000 plus the product of
13 0.00029111 times total assets;

14 (3) For financial institutions with total assets of at
15 least \$7,500,000 but under \$20,000,000, the assessment
16 shall be the sum of \$4,800 plus the product of
17 0.00029111 times total assets;

18 (4) For financial institutions with total assets of at
19 least \$20,000,000 but under \$75,000,000, the
20 assessment shall be the sum of \$9,900 plus the product
21 of 0.000064 times total assets;



1 (5) For financial institutions with total assets of at
2 least \$75,000,000 but under \$200,000,000, the
3 assessment shall be the sum of \$15,000 plus the
4 product of 0.00005333 times total assets;

5 (6) For financial institutions with total assets of at
6 least \$200,000,000 but under \$1,000,000,000, the
7 assessment shall be the sum of \$21,100 plus the
8 product of 0.00004750 times total assets;

9 (7) For financial institutions with total assets of at
10 least \$1,000,000,000 but under \$20,000,000,000, the
11 assessment shall be the sum of \$29,000 plus the
12 product of 0.00004 times total assets;

13 provided that the yearly fee assessed for financial institutions
14 with total assets of at least \$2,000,000,000 but less than
15 \$10,000,000,000 shall be no more than \$100,000, and the yearly
16 fee assessed for financial institutions with total assets of at
17 least \$10,000,000,000 shall be no more than \$150,000.

18 (b) Beginning July 1, 2021, subsection (a) shall not apply
19 to nondepository trusts, and nondepository trusts shall be
20 assessed a yearly fee in accordance with the following:



- 1 (1) For nondepository trusts with total assets under
2 management under \$750,000, the assessment shall be the
3 sum of \$1,000 plus the product of 0.00029111 times
4 total assets under management;
- 5 (2) For nondepository trusts with total assets under
6 management of at least \$750,000 but under \$7,500,000,
7 the assessment shall be the sum of \$2,000 plus the
8 product of 0.00029111 times total assets under
9 management;
- 10 (3) For nondepository trusts with total assets under
11 management of at least \$7,500,000 but under
12 \$20,000,000, the assessment shall be the sum of \$4,800
13 plus the product of 0.00029111 times total assets
14 under management;
- 15 (4) For nondepository trusts with total assets under
16 management of at least \$20,000,000 but under
17 \$75,000,000, the assessment shall be the sum of \$9,900
18 plus the product of 0.000064 times total assets under
19 management;
- 20 (5) For nondepository trusts with total assets under
21 management of at least \$75,000,000 but under



1 \$200,000,000, the assessment shall be the sum of
2 \$15,000 plus the product of 0.00005333 times total
3 assets under management;
4 (6) For nondepository trusts with total assets under
5 management of at least \$200,000,000 but under
6 \$1,000,000,000, the assessment shall be the sum of
7 \$21,100 plus the product of 0.00004750 times total
8 assets under management;
9 (7) For nondepository trusts with total assets under
10 management of at least \$1,000,000,000 but under
11 \$20,000,000,000, the assessment shall be the sum of
12 \$29,000 plus the product of 0.00004 times total assets
13 under management;
14 provided that the yearly fee assessed for nondepository trusts
15 with total assets under management of at least \$2,000,000,000
16 but less than \$10,000,000,000 shall be no more than \$100,000,
17 and the yearly fee assessed for nondepository trusts with total
18 assets under management of at least \$10,000,000,000 shall be no
19 more than \$150,000.

20 [~~(b)~~] (c) The assessments shall be paid semiannually on
21 March 1 and September 1 of each year based on the institution's



1 total assets or total assets under management reported as of the
2 previous December 31 and June 30, respectively.

3 [~~e~~] (d) In addition to the assessments established in
4 subsection (a), a financial institution or financial institution
5 applicant shall pay fees as follows:

- 6 (1) A nonrefundable fee of \$10,000 for an application for
7 preliminary approval by the commissioner for the
8 organization of a Hawaii financial institution
9 pursuant to section 412:3-201, 412:3-202, 412:3-206,
10 or 412:3-301;
- 11 (2) A nonrefundable fee of \$9,000 for an application for
12 preliminary approval by the commissioner for the
13 organization of a Hawaii financial institution
14 pursuant to section 412:5-402;
- 15 (3) A nonrefundable fee of \$2,500 for a final application
16 for a charter or license to engage in the business of
17 a Hawaii financial institution pursuant to section
18 412:3-212;
- 19 (4) A nonrefundable fee of \$10,000 for an application for
20 a merger or consolidation or acquisition of control
21 involving a Hawaii financial institution;



- 1 (5) A nonrefundable fee of \$2,500 for an application for
2 the conversion of a federal financial institution to a
3 Hawaii financial institution or the conversion of a
4 Hawaii financial institution to another Hawaii
5 financial institution charter;
- 6 (6) A nonrefundable fee of \$5,000 for an application of a
7 bank to conduct a trust business through a subsidiary,
8 division, or department of the bank pursuant to
9 section 412:5-205;
- 10 (7) A nonrefundable fee of \$5,000 for an application of a
11 bank to conduct insurance activities pursuant to
12 section 412:5-205.5;
- 13 (8) A nonrefundable fee of \$5,000 for an application of a
14 bank to engage in securities activities pursuant to
15 section 412:5-205.7;
- 16 (9) A nonrefundable fee of \$2,000 for an application for a
17 bank, savings bank, or depository financial services
18 loan company to comply with lending limits applicable
19 to federal financial institutions pursuant to section
20 412:5-302, 412:6-303, or 412:9-404;



1 (10) A nonrefundable fee of \$2,000 for an application to
2 exceed certain permitted investment limits pursuant to
3 sections 412:5-305(f) and (h), 412:6-306(f) and (h),
4 412:7-306(f) and (h), 412:8-301(f), 412:9-409(f) and
5 . (i), and 412:10-502(g); and

6 (11) A nonrefundable fee of \$2,500 for an application to
7 engage in the business of a credit union.

8 [~~(e)~~] (e) The annual fee for each intra-Pacific financial
9 institution and interstate branch of out-of-state banks is the
10 sum of \$1,000 for each office, agency, and branch office
11 maintained by the financial institution, payment of which shall
12 be made before December 31 of each year. The commissioner may
13 establish, increase, decrease, or repeal this fee pursuant to
14 rules adopted in accordance with chapter 91.

15 [~~(e)~~] (f) Intra-Pacific bank fees shall be as follows:

16 (1) A nonrefundable fee of \$9,000 to establish an initial
17 branch pursuant to section 412:5-401;

18 (2) A nonrefundable fee of \$750 to establish an additional
19 branch or agency of an intra-Pacific bank; and



1 (3) A nonrefundable fee of \$500 for an application to
2 relocate a branch or agency of an intra-Pacific bank
3 established or acquired pursuant to section 412:5-401.

4 ~~[(f)]~~ (g) A nonrefundable fee of \$500 shall be assessed
5 for an application to relocate a branch or office established
6 pursuant to section 412:12-107.

7 ~~[(g)]~~ (h) A nonrefundable fee of \$100 shall be assessed
8 for each certificate of good standing for any Hawaii financial
9 institution; provided that an additional fee of \$100 shall be
10 assessed for each certificate of good standing that is requested
11 to be provided in two business days from receipt of request.

12 ~~[(h)]~~ (i) All assessments and fees shall be deposited into
13 the compliance resolution fund established pursuant to section
14 26-9(o).

15 ~~[(i)]~~ (j) For purposes of this section, "total assets"
16 means for an insured depository institution the total assets
17 reported in the financial institution's quarterly reports of
18 condition, or call reports, which are required to be filed
19 pursuant to section 7(a)(3) of the Federal Deposit Insurance Act
20 or in the unaudited financial statements filed pursuant to
21 section 412:3-112.



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

8 SECTION 4. Section 412:3-209, Hawaii Revised Statutes, is
 9 amended by amending subsection (a) to read as follows:

10 "(a) Every financial institution existing or organized
 11 under the laws of this State shall at all times, and every
 12 applicant in organization shall before filing the final
 13 application for a charter or license under this part and at all
 14 times thereafter, have paid-in capital and surplus of not less
 15 than the following amounts for each type of institution
 16 specified below:

17	Banks	\$5,000,000
18	Savings banks	\$3,000,000
19	Savings and loan associations	\$2,000,000
20	Trust companies	\$1,500,000
21	<u>Nondepository trust companies</u>	<u>\$1,000,000</u>



S.B. NO. 1097
S.D. 1

Report Title:

Financial Institutions; Nondepository Trust Companies; Powers and Duties; Assessments; Fees; Paid-in-capital and Surplus; Agent; Chapter 412

Description:

Establishes provisions concerning nondepository trust companies.
(SD1)

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

