

MAR 16 2026

SENATE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS TO
EVALUATE REGISTRATION, REPORTING, AND TRANSPARENCY
MECHANISMS FOR TRUSTS FORMED UNDER CHAPTER 554G, HAWAII
REVISED STATUTES, AND OTHER LARGE PRIVATE TRUSTS.

1 WHEREAS, Chapter 554G, Hawaii Revised Statutes (Chapter
2 554G), authorizes permitted transfers in trust, including self-
3 settled asset protection trusts that allow a settlor to transfer
4 assets into trust while retaining certain beneficial interests;
5 and

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7 WHEREAS, trusts formed under Chapter 554G may hold
8 significant assets and are designed, in part, to provide
9 creditor protection, wealth preservation, and estate-planning
10 advantages; and

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12 WHEREAS, the Department of Taxation has confirmed that
13 trusts formed pursuant to Chapter 554G are not currently tracked
14 or classified in a manner that permits aggregate reporting
15 regarding their number, assets, or income-reporting status; and

16
17 WHEREAS, the absence of a tracking or reporting mechanism
18 limits the State's ability to evaluate the scale, fiscal
19 implications, and broader economic impact of these trust
20 structures; and

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22 WHEREAS, legislation introduced during the Regular Session
23 of 2026, including House Bill No. 2368, reflects legislative
24 concerns regarding large private trusts, perpetual or long-
25 duration trusts, and the need for transparency mechanisms
26 sufficient to inform sound public policy; and

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28 WHEREAS, this body has a responsibility to ensure that
29 statutory frameworks authorizing sophisticated trust structures



S.C.R. NO. 193

1 are accompanied by appropriate oversight, reporting, and
2 accountability mechanisms consistent with revenue integrity and
3 the public interest; and
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5 WHEREAS, the Department of Commerce and Consumer Affairs
6 administers registration, licensing, and regulatory oversight
7 for certain fiduciaries, financial entities, and business actors
8 operating in the State; now, therefore,
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10 BE IT RESOLVED by the Senate of the Thirty-third
11 Legislature of the State of Hawaii, Regular Session of 2026, the
12 House of Representatives concurring, that the Department of
13 Commerce and Consumer Affairs is requested to:
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- 15 (1) Identify any existing registration, licensing,
16 reporting, or regulatory requirements applicable to
17 trusts formed under Chapter 554G, including
18 requirements applicable to trustees, trust companies,
19 or other fiduciaries administering such trusts;
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- 21 (2) Evaluate whether existing law provides sufficient
22 authority to require registration or periodic
23 reporting of large private trusts formed under Chapter
24 554G, including reporting of aggregate asset ranges or
25 threshold-based disclosures that would not reveal
26 confidential beneficiary information but would provide
27 policymakers with insight into scale;
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- 29 (3) Assess whether statutory amendments would be required
30 to establish a reporting framework for large private
31 trusts exceeding specified asset thresholds, including
32 potential annual registration or reporting
33 obligations; and
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- 35 (4) Provide recommendations regarding the feasibility of
36 implementing transparency mechanisms for large or
37 long-duration private trusts consistent with the
38 public-policy objectives reflected in House Bill No.
39 2368 (Regular Session of 2026); and
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41 BE IT FURTHER RESOLVED that the Department of Commerce and
42 Consumer Affairs is requested to submit a report of its findings



S.C.R. NO. 193

1 and recommendations, including any proposed legislation, to the
2 Legislature no later than twenty days prior to the convening of
3 the Regular Session of 2027; and

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5 BE IT FURTHER RESOLVED that a certified copy of this
6 Concurrent Resolution be transmitted to the Director of Commerce
7 and Consumer Affairs.

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OFFERED BY: Karl Rhoads

