

A Bill for an Act Relating to Powers of Trust Companies.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 412:8-200, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Except as otherwise expressly authorized by this chapter, a trust company shall not:

- (1) Issue [drafts,] bills of exchange[,] or letters of credit;
- (2) Discount commercial paper;
- (3) Solicit, accept, or hold deposits;
- (4) Engage in a general banking, savings bank, or savings and loan association business;
- (5) Engage in any business for which a real estate broker’s license is required, in any business for which an insurance agent or agency license is required, or in any business of a securities broker or dealer; and
- (6) Make any loans or extensions of credit to any person; except, a trust company may:
 - (A) Make loans to its affiliates not exceeding in the aggregate amount twenty per cent of the trust company’s capital and surplus;
 - (B) Make loans to its clients for the sole purpose of preventing overdrafts in the client’s account or accounts or securing repayment of overdrafts in the client’s account or accounts. A trust company may charge interest on such advances, subject to chapter 478. A trust company shall have a lien on the assets in the client’s account [[]or accounts[]] for the amount of the advance or credit and interest; and
 - (C) Pay or advance premiums due and owing by any person to an insurance company, before the payment by the person; provided that the total amount of the payments and advances at any one time for the benefit of any one person shall not exceed two per cent of the capital and surplus of the trust company, and for the benefit of all such persons shall not exceed fifteen per cent of the capital and surplus of the trust company.”

SECTION 2. Statutory material to be repealed is bracketed.¹

SECTION 3. This Act shall take effect upon its approval.

(Approved April 25, 1995.)

Note

1. So in original.