STAND. COM. REP. NO.

Honolulu, Hawaii

Feb 10 , 2011

RE: H.B. No. 1447 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1447 entitled:

"A BILL FOR AN ACT RELATING TO THE PERMITTED TRANSFERS IN TRUST ACT,"

begs leave to report as follows:

The purpose of this bill is to amend the Permitted Transfers in Trust Act passed last year that governs transfers of property from a transferor to a trustee using an irrevocable trust instrument. These amendments will make the State more competitive in the national and local marketplace. Specifically this bill, among other things, deletes the 1% excise tax on the fair market value of all permitted transfers and increases flexibility as to the nature and extent of the assets that may be managed by Hawaii's private financial sector.

Bank of Hawaii and an individual testified in support of this bill.

Your Committee has amended this bill by:

(1) Deleting the requirement that a permitted trustee must maintain or arrange for custody in the State of property that is the subject of the permitted transfer. Testimony noted that some of the property might be

HB1447 HD1 HSCR CPC HMS 2011-1810

maintained or custody could be arranged outside of the State; and

(2) Making technical, nonsubstantive amendments for 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. 1447, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1447, H.D. 1, and be referred to the Committee on Finance.

HB1447 HD1 HSCR CPC HMS 2011-1810

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ROBERT N. HERKES, Chair

State of Hawaii House of Representatives The Twenty-sixth Legislature

HSCR 178

## **Record of Votes of the Committee on Consumer Protection & Commerce**

Bill/Resolution No.: HB INNY Committee Referral: CPC, FIN Date: 2/2/2011				
□ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: □ Pass, unamended (as is) □ Pass, with amendments (HD) □ Hold   □ Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)				
2. YAMANE, Ryan I. (VC)				
3. BROWER, Tom				
4. CABANILLA, Rida T.R.				
5. CARROLL, Mele				
6. ITO, Ken				
7. KEITH-AGARAN, Gilbert S.C.	/,			
8. LUKE, Sylvia				
9. McKELVEY, Angus L.K.				· · · · · · · · · · · · · · · · · · ·
10. MORITA, Hermina M.				
11. OSHIRO, Blake K.	/			
12. SOUKI, Joseph M.				
13. TSUJI, Clift			· · ·	
14. CHING, Corinne W.L.				
15. MARUMOTO, Barbara C.				
16. THIELEN, Cynthia				
			u_u	
				<u> </u>
				<u></u>
	· · · · · · · · · · · · · · · · · · ·			
TOTAL (16)	13			3
The recommendation is: Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				