STAND. COM. REP. NO. 825

Honolulu, Hawaii

March 7, 2011

RE: H.B. No. 1447

H.D. 2

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 1447, H.D. 1, 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 make the State more competitive in the national and local marketplace by amending the Permitted Transfers in Trust Act that governs transfers of property from a transferor to a trustee using an irrevocable trust instrument. Specifically this bill, among other things, deletes the one percent 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, First Hawaiian Bank, and the Tax Department of the Cades Schutte law firm testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

HB1447 HD2 HSCR FIN HMS 2011-2734

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1447, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1447, H.D. 2.

Respectfully submitted on behalf of the members of the Committee on Finance,

MARCUS R. OSHIRO, Chair

State of Hawaii House of Representatives The Twenty-sixth Legislature

Record of Votes of the Committee on Finance

| Bill/Resolution No.: | Committee Referral: | | | 2/1/11 | |
|--|---------------------|----------|------------|---------------|---------|
| HB 1447 CPC, FIN 3/1/11 | | | | | |
| 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) | | | | | |
| FIN Members | | es Ayes | (WR) | Nays | Excused |
| 1. OSHIRO, Marcus R. (C) | | | | | |
| 2. LEE, Marilyn B. (VC) | | | | | |
| 3. CHONG, Pono | ے د | | | | |
| 4. CHOY, Isaac W. | | | | | |
| 5. COFFMAN, Denny | | | | | |
| 6. CULLEN, Ty | | | | | |
| 7. HAR, Sharon E. | L | | | | |
| 8. HASHEM, Mark J. | | | | | |
| 9. ICHIYAMA, Linda | 6 | | | | |
| 10. JORDAN, Jo | V | | | | |
| 11. LEE, Chris | - | | | | |
| 12. MORIKAWA, Dee | <i>V</i> | | | | |
| 13. TOKIOKA, James Kunane | <i>U</i> | | | | |
| 14. YAMASHITA, Kyle T. | L | • | | · · · | |
| 15. MARUMOTO, Barbara C. | L | | | | |
| 16. RIVIERE, Gil | <u></u> | , | | | |
| 17. WARD, Gene | ν | | | | |
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| TOTAL (17) | ſ | 7 | \bigcirc | \mathcal{O} | 0 |
| The recommendation is: Adopted Not Adopted | | | | | |
| If joint referral, did not support recommendation. | | | | | |
| 000 10 100 | | | | | |
| Vice Chair's or designee's signature: | | | | | |
| Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO | | | | | |