



TESTIMONY ON HB 1447

**Tuesday, March 1, 2011, 10:00 a.m.
State Capitol, Conference Room 308**

HOUSE COMMITTEE ON FINANCE

**TO: The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee, Chair
Members of the House Committee on Finance**

I am Curtis Saiki representing First Hawaiian Bank testifying in support of HB 1447. This bill amends the Permitted Transfer in Trust Act which governs transfers of property from a transferor to a trustee by means of an irrevocable trust instrument. The Act, which was passed last year, allows an individual to establish a Hawaii perpetual trust that would hold up to 25% of an individual's net worth.

After passage of the Act, we found that certain provisions inhibited local trust companies and asset managers from making inroads into the perpetual trust market. HB 1447 corrects the Act in the following manner so that Hawaii can be more competitive in attracting these trusts:

- Eliminating the 1% tax on assets transferred to the trust.
- Removing the 25% net worth limitation.
- Expanding the definition of "permitted property" to include all property – real and personal - in addition to the currently permissible cash and marketable securities.

We support these enhancements because it will allow Hawaii to compete with other states in this growing industry, which will lead to more jobs and inure to the overall economic health of the state.

Thank you for the opportunity to testify in support of this bill.



TESTIMONY IN SUPPORT OF HB1447 HD1

Tuesday, March 1, 2011, 10:00 a.m.
State Capitol, Conference Room 308

HOUSE COMMITTEE ON FINANCE

TO: The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee, Vice Chair
Members of the House Committee on Finance

I am Stafford Kiguchi testifying on behalf of Bank of Hawaii in support of HB 1447 HD1. This bill amends the Permitted Transfer in Trust Act which governs transfers of property from a transferor to a trustee by means of an irrevocable trust instrument. The Act, which was passed last year, allows an individual to establish a Hawaii perpetual trust that would hold up to 25% of an individual's net worth.

We support the proposed amendments and technical changes which further clarify the definition of certain terms and make those terms consistent with the Code of Federal Regulations. Ultimately, these amendments will serve to make the Act more competitive with other markets. Specific items to enhance the Act include:

- Eliminating the 1% tax on assets, which other states do not impose.
- Removing the 25% net worth limitation, which was an arbitrary designation.
- Expanding the limited definition of "permitted property" to include all property – real and personal - in addition to the currently permissible cash and marketable securities.
- Accommodating situations whereby the trust does not custody securities within the state but would otherwise be required to do so.

Thank you for the opportunity to testify in support of this bill.

Sincerely,

Stafford Kiguchi
Executive Vice President
Bank of Hawaii
694-8580

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 28, 2011 8:29 AM
To: FINTestimony
Cc: stafford.kiguchi@boh.com
Subject: Testimony for HB1447 on 3/1/2011 10:00:00 AM

Testimony for FIN 3/1/2011 10:00:00 AM HB1447

Conference room: 308
Testifier position: support
Testifier will be present: Yes
Submitted by: Stafford Kiguchi
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Submitted on: 2/28/2011

Comments: