

STAND. COM. REP. NO.

2101

Honolulu, Hawaii

FEB - 9 2010

RE: S.B. No. 2842
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2842 entitled:

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

begs leave to report as follows:

The purpose of this measure is to allow the establishment of perpetual trusts that are protected against some provisions of federal estate taxes and are protected against the claims of certain creditors.

Your Committee received testimony in support of this measure from First Hawaiian Bank. Written testimony presented to the Committee may be reviewed on the Legislature's website.

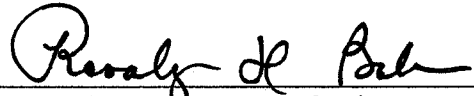
Your Committee finds that this measure would allow wealthy individuals to establish trusts within this State that are not subject to the rule against perpetuities in order to protect a portion of their liquid assets from the federal estate tax and from the claims of certain creditors. Your Committee finds that over half of the states have enacted laws that contain at least some provisions similar to this measure and that currently Alaska, Delaware, Nevada, and South Dakota have laws substantially similar to this measure. Your Committee finds that allowing the establishment of these types of trusts within the State creates the potential to attract investment, tax revenue, and white-collar financial jobs at no cost to the State.



Your Committee has amended this measure by making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2842, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2842, S.D. 1, and be referred to the Committee on Ways and Means.

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



ROSALYN H. BAKER, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB 2842	Committee Referral: CPN, WAM	Date: 02/05/10		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
GREEN, M.D., Josh	✓			
IHARA, Jr., Les				✓
SAKAMOTO, Norman	✓			
HEMMINGS, Fred	✓			
TOTAL	6	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">David Ylge</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes