



Presentation to the House Committee on Consumer Protection & Commerce

Wednesday, February 2, 2011 at 2:05 p.m.

Testimony on House Bill 1447 Relating to the Permitted Transfers in Trust

TO: The Honorable Robert N. Herkes, Chair
The Honorable Ryan I. Yamane, Vice Chair
Members of the House Committee on Consumer Protection & Commerce

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 1477 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.