Honolulu, Hawaii

April 4

RE: S.B. No. 1249

S.D. 2 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1249, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE COMPENSATION OF TRUSTEES," begs leave to report as follows:

The purpose of this measure is to clarify state law relating to the compensation of trustees. Specifically, this measure:

- (1) Provides that trustees are entitled to compensation as specified in the measure; provided the compensation is reasonable;
- (2) Provides that banks and trust companies serving as trustees are entitled to reasonable compensation, which may be included in the bank or trust companies' published fee schedule;
- (3) Requires that advanced written notice of any amendment to a bank or trust company's fee schedule be provided to the settlor or, after the settlor's death, to all beneficiaries;
- (4) In the case where there is more than one trustee, provides for the division of fees that is calculated on the trust assets at the inception of the trust;

- (5) Provides for cost-of-living adjustments to specified annual fees due to a trustee in accordance with changes in the Consumer Price Index using the year 2014 as the base; and
- (6) Specifies that this measure shall not infringe on an interested party's right to petition the court for review under Article VII of Chapter 560, Hawaii Revised Statutes, relating to the Trust Administration Law.

The Trust Department of Bank of Hawaii and the individual attorney members of The Judiciary's Committee on the Uniform Probate Code and Probate Court Practices supported this measure.

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 S.B. No. 1249, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SYLVIA LÜKE, Chair

State of Haw ouse of Represer s The Twenty-seventh Legislature

HSCR 1550-14

Record of Votes of the Committee on Finance

Bill/Resolution No.: SB 1249, SD2, HD1	Committee Referral: JUD, FIN	Date	3/27/2014	
☐ 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	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. NISHIMOTO, Scott Y. (VC)				
3. JOHANSON, Aaron Ling (VC)				
4. CULLEN, Ty J.K.	and the secretariation and product and the second s	ASS SECTION TO PROPER THE PROPERTY OF THE PROP	90000010000000000000000000000000000000	
5. HASHEM, Mark J.				
6. ING, Kaniela		and all the control of the control o	Solido St. Os Chiatata de la propenta de composito	
7. JORDAN, Jo				
8. KOBAYASHI, Bertrand	AND AND A SHIP A MARKET AND A SAME OF	Harris Street House Harris & Carlain Harris	ZWE SE DESCRIPTION	
9. LOWEN, Nicole E.				
10. MORIKAWA, Dee		Na		
11. ONISHI, Richard H.K.				
12. TAKAYAMA, Gregg				
13. TOKIOKA, James Kunane				
14. WOODSON, Justin H.15. YAMASHITA, Kyle T.				
16. FUKUMOTO, Beth			(100 AS AB AB ABA	
17. WARD, Gene				
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TOTAL (17)	14			3
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				