STAND. COM. REP. NO.

2124

Honolulu, Hawaii

FEB 1 1 2016

RE: S.B. No. 2298

S.D. 1

Honorable Ronald D. Kouchi President of the Senate Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health, to which was referred S.B. No. 2298 entitled:

"A BILL FOR AN ACT RELATING TO THE UNIFORM FIDUCIARY ACCESS TO DIGITAL ASSETS ACT,"

begs leave to report as follows:

The purpose and intent of this measure is to adopt a revised version of the Uniform Fiduciary Access to Digital Assets Act, which provides authority to plan for the management and disposition of digital assets.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation and State Privacy and Security Coalition, Inc.

Your Committee finds that since last year, the Uniform Law Commission has worked to address concerns raised by internet service providers and privacy advocates over the original Uniform Fiduciary Access to Digital Assets Act, which the Uniform Law Commission first adopted in 2014. As a result of those efforts, the Uniform Law Commission has since adopted a revised version of the Uniform Fiduciary Access to Digital Assets Act.

Your Committee further finds that the Revised Uniform Fiduciary Access to Digital Assets Act is intended to modernize fiduciary law for the Internet Age. Access to a person's digital property and electronic communications, also known as digital assets, is usually governed by a terms-of-service agreement rather

2016-0992 SSCR SMA.doc

than by property law. Issues may arise when Internet users die or otherwise lose the ability to manage their own digital assets. Accordingly, the Revised Uniform Fiduciary Access to Digital Assets Act, which this measure proposes to adopt, provides Internet users with the ability and authority to plan for the management and disposition of their digital assets, in a manner similar to the process for management and disposition of tangible property.

Your Committee additionally finds that the Uniform Law Commission's Executive Committee has recently adopted certain technical amendments to the Revised Uniform Fiduciary Access to Digital Assets Act. Amendments to this measure are therefore necessary to incorporate these suggested amendments.

Your Committee has amended this measure by incorporating amendments suggested by the Commission to Promote Uniform Legislation, which:

- (1) Clarify that designated recipients and fiduciaries are obligated to follow copyright law; and
- (2) Corrects an internal reference.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2298, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2298, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

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

ROSALYN H. BAKER, Chair

The Senate Twenty-Eighth Legislature State of Hawai'i

Record of Votes Committee on Commerce, Consumer Protection, and Health CPH

Bill / Resolution No.:*	Committee Referral: Date:				
SB 2298	CPH, JDL/WAM 2-5-16				
The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)					
KIDANI, Michelle N. (VC)					
ESPERO, Will					
IHARA, Jr., Les					
NISHIHARA, Clarence K.					
RUDERMAN, Russell E.					
SLOM, Sam					
·					
			<u> </u>		
	<u>. </u>		<u> </u>	<u> </u>	
		_		 -	
TOTAL		5			2
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature: Muhille A Kidani'					
Distribution: Original	ribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				
i de wint Committee De	Photo Cigik	. o Onice L	rialiting Agency	Johnna	or ne cohy

*Only one measure per Record of Votes