

Honolulu, Hawaii

APR - 1 2014

RE: H.B. No. 1300  
H.D. 1  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred  
H.B. No. 1300, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO A FIDUCIARY'S STANDARD OF CARE  
AND PERFORMANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Allow the settlor of a trust to designate the investment and other responsibilities to an advisor and maintain the administrative functions with the trustee;
- (2) Limit the trustee's liability for investments, transactions, and other functions over which the trustee does not exercise responsibility; and
- (3) Waive a dissenting trustee's fiduciary duty for specific transactions subject to certain limitations.

Your Committee received testimony in support of this measure from Central Pacific Bank.

Your Committee finds that existing law does not specifically authorize directed trusts in Hawaii and, as a result, estate planners and advisors recommend that their clients establish directed trusts in or move their existing trusts to other states. This measure authorizes directed trusts in Hawaii to encourage



Hawaii residents to establish directed trusts in Hawaii rather than establish directed trusts or move the situs of existing trusts outside of Hawaii.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1300, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1300, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary and  
Labor.



---

CLAYTON HEE, Chair



