

Honolulu, Hawaii

April 4, 2014

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;

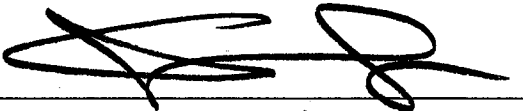


- (5) Provides for cost-of-living adjustments to specified annual fees due to a trustee in accordance with changes in the Consumer Price Index using the year 2014 as the base; and
- (6) Specifies that this measure shall not infringe on an interested party's right to petition the court for review under 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 LUKE, Chair



