

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	HB3962
Version:	INT
Request Number:	9501
Author:	Echols
Date:	3/13/2024
Impact:	AOC: Minimal

Research Analysis

HB3962, as introduced, establishes a framework to govern directed trusts to allow specified powers and duties to be allocated to the following directing parties in a trust instrument: investment trust advisor, distribution trust advisor or trust protector. These individual may be granted to same rights and privileges available to a trustee, are a fiduciary of the trust, and is subject to the same duties, standards and liabilities of a trustee unless the governing documents state otherwise. The measure also outlines the requirements for notifying beneficiaries of the existence of a trust, the qualification to be a trust advisor or protector and terms for qualified dispositions into a trust.

An investment trust advisor or distribution trust advisor is someone that acts with regard to investment decisions or discretionary distributions of income or and principal, respectively. The trust protector is someone that may take direct actions involving the trust such as amending the trust, changing the interests of a beneficiary, reviewing and replacing trustees or advisors or terminating the trust.

The measure also offers the ability to name an excluded fiduciary as a trustee. An excluded fiduciary is someone who acts on behalf of a directing party and is exempt from liability for losses that are a result of their actions as long as there is not willful misconduct.

Prepared By: Quyen Do

Fiscal Analysis

This measure enacts the Oklahoma Trust Reform Act of 2024. Officials with the Administrative Office of the Courts (AOC) performed an analysis of the measure and are currently unable to determine if a fiscal impact exists to the Courts. A programmatic update to Court software may be needed to allow input of a new case type, however the cost related to this update is expected to be minimal, therefore there is no anticipated impact on state budget or appropriations.

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Other Considerations

None.

