

Bill Summary
2nd Session of the 59th Legislature

Bill No.:	HB 3962
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Author:	Sen. Pugh
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Bill Analysis

HB 3962 creates the Oklahoma Uniform Directed Trust Act of 2024. The measure establishes a framework to govern directed trusts allowing specified powers and duties to be allocated to investment trust advisors, distribution trust advisors, or trust protectors. These individuals may be granted the same rights and privileges available to a trustee, are a fiduciary of the trust, and are 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. The measure defines 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.

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