

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**

**DATE:** Monday, February 29, 2016  
**TIME:** 1:30 P.M.  
**PLACE:** Room EW05  
**MEMBERS:** Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph  
**ABSENT/  
EXCUSED:** Representatives Chaney, Nielsen  
**GUESTS:** Shaun Laughlin, Grant Hamilton, Tom Lovell, Professional Fire Fighters of Idaho; Marty Durand Building Trades; Aaron White, Idaho AFL-CIO; Woody Richards, Angie Richards, Ins Cos; John McGown, TEPI; Mary Hughes, Idaho Dept. of Finance; Joseph Jones, Attorney General's Office

**Chairman Hartgen** called the meeting to order at 1:32 P.M.

**Chairman Hartgen** asked to take a moment of personal privilege. He thanked the committee for supporting **Linda Hartgen** as she filled in for him while he was gone and **Rep. Anderson** for sitting in as the chair of the committee. **Chairman Hartgen** asked that the record reflect that both **Mrs. Hartgen** and **Rep. Anderson** substituted well for the committee.

**S 1314:** **Trent Wright**, Idaho Banker Association presented **S 1314**. This legislation is to amend the Idaho Trust Institutions Act to clarify that individual who does not engage in trust business, may serve as a trustee of a trust without obtaining a state trust company charter. This legislation would provide an exception for individual acting as fiduciary for a individual. Currently there is no clear exception whether an individual should or should not apply for a charter with the Dept. of Finance and it is the intention of this bill to clarify that an individual acting as fiduciary for a friend or individual is not subject for the chartering requirements that the Dept. of Finance currently requests.

In response to committee questions, **Mr. Wright** explained that this legislation is coming forward because of discussion between the Idaho Dept. of Finance, Trust Estates Professionals of Idaho, and Idaho Bankers Association to identify the minimal capital requirements to enter into a trust charter agreement with the Dept. of Finance. Prior to that getting accomplished they felt they first needed to clearly identify the individual, so that future legislation will not be intended to affect individuals that are acting in good faith while helping out other individuals with their financial capabilities. There has not been issues in the past in regards to this legislation and the goal is to keep it that way. In regards to number 14 in the activities requiring a charter the language is not redundant but instead is the most effective way to identify an individual. To clarify the court has the ability to appoint anyone whom they find fit to be a trustee and this legislation clarifies as long as they are not doing this as their trade they do not need to apply for trust charter.

In response to committee questions, **Joseph Jones**, Deputy Attorney General, Dept. of Finance, explained that state trust companies are entities that are independent from banks and if someone has assets and they want to set up a trust and have the means to have it administered in most cases they would do that through a bank. There are people in businesses, who also manage trusts and those people can possibly oversee millions of dollars. The Idaho Trust Institutions Act enforces this. The Dept. of Finance will examine private charters to make sure they are compliant. The purpose for charter is to protect the client. There is nothing about being in a charter that limits a trust.

**John McGown**, Attorney, Hawley Troxell Law Firm, expressed concern regarding a personal representative of an estate. He said there is not an exception for naming an individual as a trustee and allowing that individual to be a representative. There would be remedies to protect a person asking a friend to be trustee, which would allow clients the freedom to name whom they choose as their trustee. No one can guarantee they will do the job they are supposed to do, but there are remedies to safeguard someone. If the representative or trustee violates their fiduciary duty by using funds for themselves they would be subject to a lawsuit.

**MOTION:** **Rep. Rudolph** made a motion to send **S 1314** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Redman** will sponsor the bill on the floor.

**Rep. Packer** asked to have **Shawn Laughlin** present **RS 24515C1**.

**RS 24515C1:** **Shawn Laughlin**, Professional Firefighters of Idaho, presented **RS 24515C1**. This proposed legislation would extend workers compensation benefits to firefighters in the state of Idaho for cancers listed in the legislation that are presumed as a result of their duties as a firefighter.

In response to committee questions, **Mr. Laughlin** stated that volunteer firefighters are covered under workman's compensation and the premium is paid by the fire district which they work. There has not been a request for an Attorney General's opinion since the changes on the legislation occurred.

**MOTION:** **Rep. Romrell** made a motion to introduce **RS 24515C1**. **Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:01 P.M.

---

Representative Hartgen  
Chair

---

Chelsea Cantrell  
Secretary