

## MINUTES OF THE HOUSE COMMITTEE ON JUDICIARY

The meeting was called to order by Chairperson Michael R. O'Neal at 3:30 p.m. on February 9, 2000 in Room 313-S of the Capitol.

All members were present except:

Representative Tony Powell - Excused  
Representative Candy Ruff - Excused

Committee staff present:

Jerry Ann Donaldson, Legislative Research Department  
Jill Wolters, Office of Revisor of Statutes  
Cindy O'Neal, Committee Secretary

Conferees appearing before the committee:

John McCabe, Uniform Law Commissioners

Hearing on **HB 2501 - Enacting the Uniform Principal & Income Act**, was opened.

John McCabe, Uniform Law Commission, explained that the trustee and the personal representative satisfy their obligations by making the proper allocations of assets to either principal or to income. Assets allocated to principal serve the interests of remainder beneficiaries of a trust, and the interest of the final distributees of the assets in an estate. Assets allocated to income meet the requirements of income beneficiaries during the life of a trust, and those beneficiaries who must be paid out of the income derived during administration of an estate. He proceeded to explain some aspects of the proposed bill. (Attachment 1 & 2)

The Uniform Law Commissioners (ULC) enacted the first Uniform Principal and Income Act in 1913. There was a revision in 1962 and now, 35 years after that revision the ULC has recommended a major revision. The purpose of the new act is to provide procedures for trustees administering an estate in separating principal from income and to ensure that the intention of the trust creator is the guiding principal for trustees. Seven states have adopted the revisions and nine have introduced them during their 2000 Legislative Session. (Attachment 3)

### **HB 2805 - Theft detection shielding devices**

Representative Carmody made the motion to report HB 2805 favorably for passage. Representative Long seconded the motion. Representative Pauls wanted to exclude film shielding devices but didn't have any suggested language. The committee postponed further action on the bill.

### **HB 2775 - Abatement of common nuisances adding felonies committed by gang members to list of unlawful activities**

Representative Loyd requested that the California provisions be included in the bill, but didn't have the current language. The committee postponed further action on the bill.

### **HB 2209 - Wage garnishment, assignment of account, benefit entitlement restriction**

Representative Carmody made the motion to report HB 2209 favorably for passage. Representative Loyd seconded the motion.

Representative Carmody made a substitute motion to change the reference on page 2, lines 41 & 42 from the "Federal Act" which has been repealed to "United State Bankruptcy Code". Representative Loyd seconded the motion. The motion carried.

Representative Carmody made the motion to allow the revisors office to change the reference of "1998 supplements" to "1999 supplements". Representative Lightner seconded the motion. The motion carried.

Representative Pauls was concerned that child support would no longer be a priority in assignment of accounts. Therefore the committee postponed further action on the bill until staff researched the issue.

The committee meeting adjourned at 4:30 p.m. The next meeting was scheduled for Thursday, February 10, 2000.