

House Bill 1135

By: Representative Campbell of the 42nd

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 13 of Chapter 12 of Title 53 of the Official Code of Georgia Annotated,
2 relating to trust investments, so as to provide for the delegation of certain fiduciary functions;
3 to provide for related matters; to provide an effective date; to repeal conflicting laws; and for
4 other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Article 13 of Chapter 12 of Title 53 of the Official Code of Georgia Annotated, relating to
8 trust investments, is amended by inserting at the end thereof a new Code Section 53-12-290
9 to read as follows:

10 "53-12-290.

11 (a) A trustee may delegate investment and management functions that a prudent trustee of
12 comparable skills could properly delegate under the circumstances. The trustee shall
13 exercise reasonable care, skill, and caution in:

14 (1) Selecting an agent;

15 (2) Establishing the scope and terms of the delegation consistent with the purposes and
16 terms of the trust; and

17 (3) Reviewing periodically the agent's actions in order to monitor the agent's
18 performance and compliance with the terms of the delegation.

19 (b) In performing a delegation function, an agent owes a duty to the trust to exercise
20 reasonable care to comply with the terms of the delegation.

21 (c) A trustee who complies with the requirements of subsection (a) of this Code section
22 is not liable to the beneficiaries of the trust or to the trust for the decisions or actions of the
23 agent to whom the function was delegated.

24 (d) By accepting the delegation of a trust function from the trustee of a trust that is subject
25 to the laws of this state, an agent submits to the jurisdiction of this state."

1 **SECTION 2.**

2 This Act shall become effective on July 1, 2002.

3 **SECTION 3.**

4 All laws and parts of laws in conflict with this Act are repealed.