

SENATE BILL NO. 228

IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTY-FIRST LEGISLATURE - SECOND SESSION

BY SENATORS OLSON, Begich

Introduced: 2/24/20
Referred: Judiciary

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the disposition of Native corporation stock upon a stockholder's**
2 **death."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 13.12.102(a) is amended to read:

5 (a) Except as provided in AS 13.12.115 [(b) OF THIS SECTION], the
6 intestate share of a decedent's surviving spouse is

7 (1) the entire intestate estate if

8 (A) no descendant or parent of the decedent survives the
9 decedent; or

10 (B) all of the decedent's surviving descendants are also
11 descendants of the surviving spouse and there is no other descendant of the
12 surviving spouse who survives the decedent;

13 (2) the first \$200,000, plus three-fourths of any balance of the intestate
14 estate, if no descendant of the decedent survives the decedent, but a parent of the

1 decedent survives the decedent;

2 (3) the first \$150,000, plus one-half of any balance of the intestate
3 estate, if all of the decedent's surviving descendants are also descendants of the
4 surviving spouse and the surviving spouse has one or more surviving descendants who
5 are not descendants of the decedent;

6 (4) the first \$100,000, plus one-half of any balance of the intestate
7 estate, if one or more of the decedent's surviving descendants are not descendants of
8 the surviving spouse.

9 * **Sec. 2.** AS 13.12.103 is amended to read:

10 **Sec. 13.12.103. Share of heirs other than surviving spouse. Except as**
11 **provided in AS 13.12.115, a** [A] part of the intestate estate not passing to the
12 decedent's surviving spouse under AS 13.12.102, or the entire intestate estate if there
13 is no surviving spouse, passes in the following order to the individuals designated
14 below who survive the decedent:

15 (1) to the decedent's descendants by representation;

16 (2) if there is no surviving descendant, to the decedent's parents
17 equally if both survive, or to the surviving parent;

18 (3) if there is no surviving descendant or parent, to the descendants of
19 the decedent's parents or either of them by representation;

20 (4) if there is no surviving descendant, parent, or descendant of a
21 parent, but the decedent is survived by one or more grandparents or descendants of
22 grandparents, half of the estate passes to the decedent's paternal grandparents equally
23 if both survive, or to the surviving paternal grandparent, or to the descendants of the
24 decedent's paternal grandparents or either of them if both are deceased, the
25 descendants taking by representation; and the other half passes to the decedent's
26 maternal relatives in the same manner; but if there is no surviving grandparent or
27 descendant of a grandparent on either the paternal or the maternal side, the entire
28 estate passes to the decedent's relatives on the other side in the same manner as the
29 half.

30 * **Sec. 3.** AS 13.12.106(a) is amended to read:

31 (a) If, under AS 13.12.103(1) **or 13.12.115**, all or part of a decedent's intestate

1 estate passes by representation to the decedent's descendants, the estate or part of the
2 estate passing is divided into as many equal shares as there are

3 (1) surviving descendants in the generation nearest to the decedent that
4 contains one or more surviving descendants; and

5 (2) deceased descendants in the same generation who left surviving
6 descendants, if any.

7 * **Sec. 4.** AS 13.12.106(c) is amended to read:

8 (c) If, under AS 13.12.103(3) or (4) or 13.12.115, all or part of a decedent's
9 intestate estate passes by representation to the descendants of the decedent's deceased
10 parents or either of them or to the descendants of the decedent's deceased paternal or
11 maternal grandparents or either of them, the estate or part of the estate passing is
12 divided into as many equal shares as there are

13 (1) surviving descendants in the generation nearest the deceased
14 parents or either of them, or the deceased grandparents or either of them, that contains
15 one or more surviving descendants; and

16 (2) deceased descendants in the same generation who left surviving
17 descendants, if any.

18 * **Sec. 5.** AS 13.12 is amended by adding a new section to article 1 to read:

19 **Sec. 13.12.115. Intestate succession of Native corporation stock.** (a) If a
20 decedent's estate includes settlement common stock or other inalienable stock in a
21 corporation organized under the laws of the state under 43 U.S.C. 1601 et seq. (Alaska
22 Native Claims Settlement Act) and the stock does not pass by the testamentary
23 disposition clause on the stock certificate, by a form authorized by AS 13.16.705(b),
24 or by will, then, notwithstanding any other provision of AS 13.06 - AS 13.36 to the
25 contrary, the stock passes in the following order to the persons designated below who
26 survive the decedent:

27 (1) to the children of the decedent in equal shares;

28 (2) if the decedent is not survived by one or more children, to the
29 following individuals in the following order:

30 (A) the parents of the decedent in equal shares;

31 (B) the grandparents of the decedent in equal shares;

1 (C) the brothers and sisters of the decedent in equal shares;

2 (D) the children of the brothers and sisters of the decedent in
3 equal shares;

4 (3) if the stock does not pass to an individual or individuals described
5 in (1) or (2) of this subsection, to the following individuals in the following order:

6 (A) the surviving spouse of the decedent;

7 (B) the surviving descendants of the decedent in equal shares
8 by representation;

9 (C) the surviving descendants of the decedent's parents in equal
10 shares by representation;

11 (4) if the stock does not pass to an individual or individuals described
12 in (1) - (3) of this subsection, one-half of the stock to the descendants of the decedent's
13 paternal grandparents, the descendants taking by representation, and one-half of the
14 stock to the descendants of the decedent's maternal grandparents, the descendants
15 taking by representation;

16 (5) if the stock does not pass to an individual or individuals described
17 in (1) - (4) of this subsection, to all other relatives of the decedent in equal shares;

18 (6) if the stock does not pass to an individual or individuals described
19 in (1) - (5) of this subsection, to the corporation that issued the stock.

20 (b) In this section, "children" means natural children or adopted children.

21 * **Sec. 6.** AS 13.16.705(a) is amended to read:

22 (a) The settlement common stock or other inalienable stock in a corporation
23 organized under the laws of Alaska under 43 U.S.C. 1601 et seq. (Alaska Native
24 Claims Settlement Act) is not subject to probate **and** [NOR SHALL] its value **may**
25 **not** be considered in determining the value of an estate or allowance under this title.
26 Upon **the** death of the holder, if the stock does not pass by the testamentary
27 disposition clause on the stock certificate or by the form authorized under (b) of this
28 section, properly executed, it passes by will or **as provided in AS 13.12.115**
29 [INTESTATE SUCCESSION]. In such a case, the determination of the person entitled
30 to the stock shall be made by the corporation that initially issued the stock or its
31 designated agent. The determination shall be made on the basis of an affidavit,

1 furnished to the corporation that initially issued the stock, or its agent, showing the
2 right of the person entitled to the stock to receive it. The affidavit, accepted in good
3 faith by the corporation or its agent, has the same effect as an affidavit under
4 AS 13.16.685, and the person entitled to the stock, if the affidavit is not accepted, has
5 the remedy set out in AS 13.16.685. In case of dispute as to the person entitled to
6 receive the stock, a person claiming ownership may bring an independent action in the
7 superior court.

8 * **Sec. 7.** AS 13.16.705(d) is amended to read:

9 (d) If a deceased shareholder has failed to dispose of the stock by will and has
10 no heirs under AS 13.12.115 [THE APPLICABLE LAWS OF INTESTACY], the
11 shares escheat to the corporation.

12 * **Sec. 8.** AS 13.46.085(e) is amended to read:

13 (e) Notwithstanding AS 13.46.190, the stock shall be transferred to the minor
14 when the minor reaches 18 years of age, or to the minor's heirs under AS 13.12.115 if
15 the minor dies before reaching 18 years of age.

16 * **Sec. 9.** AS 13.12.102(b) and AS 13.16.705(d) are repealed.

17 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 APPLICABILITY. This Act applies to the stock owned by an individual who dies on
20 or after the effective date of this Act.