

BY REP. FINKELSTEIN

1 IN THE HOUSE

2

HOUSE BILL NO. 534

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the education trust program; and
7 providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 43.23 is amended by adding a new section to read:

10 Sec. 43.23.022. EDUCATION TRUST PROGRAM. (a) If a parent,
11 guardian, or other authorized representative, other than a public
12 agency, claims a dividend on behalf of an unemancipated minor, the
13 parent, guardian, or other authorized representative shall direct the
14 department to pay the dividend to the unemancipated minor or to hold
15 the dividend in trust for the minor's education or future needs.
16 Money held in trust, together with income earned on it, less costs of
17 administering the trust, shall be paid to the individual upon emanci-
18 pation or upon reaching the age of majority. However, on request of a
19 parent, guardian, or other authorized representative the commissioner
20 shall pay all or a portion of the money held in trust to the minor
21 before the minor is emancipated or reaches the age of majority.

22 (b) The commissioner shall contract with a private person to
23 administer the education trust program. Costs of administering the
24 program shall be paid from the money held in trust.

25 (c) The private person who administers the education trust
26 program is authorized to invest the money held in the education trust
27 program in

28 (1) fixed and variable life insurance and annuity contracts
29 or other contracts issued by life insurance companies;

1 (2) shares of or deposits in insured state or federal
2 chartered credit unions in the state;

3 (3) shares of or deposits in insured state or federal
4 chartered savings and loan associations in the state;

5 (4) deposits in insured mutual savings banks in the state;
6 and

7 (5) deposits in insured state and national banks in the
8 state.

9 (d) In (c) of this section, "insured" means insured by the
10 federal government or an agency of the federal government.

11 * Sec. 2. AS 43.23.055 is amended to read:

12 Sec. 43.23.055. DUTIES OF THE DEPARTMENT. The department shall

13 (1) annually pay permanent fund dividends from the dividend
14 fund;

15 (2) adopt regulations under the Administrative Procedure Act
16 (AS 44.62) that establish procedures and time limits for claiming a
17 permanent fund dividend; the department shall set the time limit for
18 applications for permanent fund dividends so that the number of eligi-
19 ble applicants is determined by October 1 of the year for which the
20 dividend is declared and permanent fund dividends for a year are paid
21 before April 30 of the year following that year;

22 (3) adopt regulations under the Administrative Procedure
23 Act (AS 44.62) that establish procedures and time limits for an indi-
24 vidual upon emancipation or upon reaching majority to apply for perma-
25 nent fund dividends not received or placed in trust during minority
26 because the parent, guardian, or other authorized representative did
27 not apply on behalf of the individual;

28 (4) assist residents of the state, particularly in rural
29 areas, who because of language, disability, or inaccessibility to

1 public transportation need assistance to establish eligibility and to
2 apply for permanent fund dividends;

3 (5) annually determine, in cooperation with the Department
4 of Corrections, the number and identity of individuals ineligible for
5 a permanent fund dividend under AS 43.23.005(d); and

6 (6) adopt regulations that are necessary to implement
7 AS 43.23.005(d) and 43.23.022.

8 * Sec. 3. This Act takes effect January 1, 1991.