

BY THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE BUDGET AND AUDIT
COMMITTEE

1 IN THE SENATE

2

SENATE BILL NO. 515

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 interest on trust accounts of
7 real estate brokers."

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

9 * Section 1. AS 08.88.071(a)(3) is amended by adding a new subparagraph
10 to read:

11 (I) if a real estate broker, fails to turn over to the
12 Department of Revenue interest derived from an account estab-
13 lished under AS 08.88.356;

14 * Sec. 2. AS 08.88 is amended by adding a new section to read:

15 Sec. 08.88.356. INTEREST EARNED ON CERTAIN TRUST FUND DEPOSITS.

16 (a) A real estate broker licensed under this chapter shall establish
17 and maintain an interest bearing insured depository account into which
18 the broker shall deposit funds received by the broker on behalf of the
19 seller of real estate when the funds either are nominal in amount or
20 are expected to be held for a short period of time. A broker may not
21 deposit into this account funds that reasonably may be expected to
22 generate \$100 or more in interest before they are paid to the seller.

23 (b) Earnings from this account may not be made available to the
24 broker, and the broker does not have a right or claim to the earnings.

25 (c) A broker establishing an account under this section shall
26 direct the depository institution to

27 (1) remit the earnings from the account, less service
28 charges or fees computed according to the institution's standard
29 accounting practices, to the Department of Revenue at least four times

1 a year; and

2 (2) transmit with each remittance of earnings a statement
3 showing the name of the broker on whose account the remittance is sent
4 and the rate of interest applied, with a copy of the statement to the
5 broker.

6 (d) The broker shall review the records of the account estab-
7 lished under this section at reasonable intervals to determine if
8 changed circumstances require further action with respect to funds in
9 the account.

10 (e) The commissioner of administration shall separately account
11 for funds deposited into the general fund by the Department of Revenue
12 under this section. The annual estimated balance in the account may
13 be used by the legislature to make appropriations to the Older
14 Alaskans Commission for grants under AS 47.65.