

CS FOR HOUSE BILL NO. 509 (L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 3/4/92
Referred: Judiciary

Sponsor(s): REPRESENTATIVE GRUENBERG

A BILL

FOR AN ACT ENTITLED

1 "An Act adopting the Uniform Custodial Trust Act."

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

3 * Section 1. AS 13 is amended by adding a new chapter to read:

4 CHAPTER 60. UNIFORM CUSTODIAL TRUST ACT.

5 Sec. 13.60.010. CUSTODIAL TRUST. (a) A person may create a custodial trust of
6 property by a written transfer of the property to another person, evidenced by registration or by
7 other instrument of transfer, executed in a lawful manner, naming as beneficiary an individual,
8 who may be the transferor, and in which the transferee is designated, in substance, as custodial
9 trustee under this chapter.

10 (b) A person may create a custodial trust of property by a written declaration, evidenced
11 by registration of the property or by other instrument of declaration executed in a lawful manner,
12 describing the property and naming as beneficiary an individual other than the declarant, in which
13 the declarant as titleholder is designated, in substance, as custodial trustee under this chapter.
14 A registration or other declaration of trust for the sole benefit of the declarant is not a custodial

1 trust under this chapter.

2 (c) Title to custodial trust property is in the custodial trustee and the beneficial interest
3 is in the beneficiary.

4 (d) Except as provided in (e) of this section, a transferor may not terminate a custodial
5 trust.

6 (e) The beneficiary, if not incapacitated, or the conservator of an incapacitated
7 beneficiary, may terminate a custodial trust by delivering to the custodial trustee a writing signed
8 by the beneficiary or conservator declaring the termination. If not previously terminated, the
9 custodial trust terminates on the death of the beneficiary.

10 (f) A person may augment existing custodial trust property by the addition of other
11 property as provided in this chapter.

12 (g) The transferor may designate, or authorize the designation of, a successor custodial
13 trustee in the trust instrument.

14 (h) This chapter does not displace or restrict other means of creating trusts. A trust
15 whose terms do not conform to this chapter may be enforceable according to its terms under
16 other law.

17 Sec. 13.60.020. CUSTODIAL TRUSTEE FOR FUTURE PAYMENT OR TRANSFER.

18 (a) A person having the right to designate the recipient of property payable or transferable upon
19 a future event may create a custodial trust upon the occurrence of the future event by designating
20 in writing the recipient, followed in substance by "as custodial trustee for _____ (name of
21 beneficiary) under the Alaska Uniform Custodial Trust Act."

22 (b) A person may be designated as substitute or successor custodial trustee to whom the
23 property shall be paid or transferred in the order named if the first designated custodial trustee
24 is unable or unwilling to serve.

25 (c) A designation under this section may be made in a will, a trust, a deed, a multiple-
26 party account, an insurance policy, an instrument exercising a power of appointment, or a writing
27 designating a beneficiary of contractual rights. Otherwise, to be effective, the designation must
28 be registered with or delivered to the fiduciary, payor, issuer, or obligor of the future right.

29 Sec. 13.60.030. FORM AND EFFECT OF RECEIPT AND ACCEPTANCE BY

30 CUSTODIAL TRUSTEE; JURISDICTION. (a) The obligations of a custodial trustee, including
31 the obligation to follow directions of the beneficiary, arise under this chapter upon the custodial

1 trustee's acceptance, express or implied, of the custodial trust property.

2 (b) The custodial trustee's acceptance may be evidenced by a writing stating in substance
3 as follows:

4 CUSTODIAL TRUSTEE'S RECEIPT AND ACCEPTANCE

5 I, _____ (name of custodial trustee) acknowledge receipt
6 of the custodial trust property described below or in the attached
7 instrument and accept the custodial trust as custodial trustee for
8 _____ (name of beneficiary) under the Alaska Uniform
9 Custodial Trust Act. I undertake to administer and distribute the custodial
10 trust property under the Alaska Uniform Custodial Trust Act. My
11 obligations as custodial trustee are subject to the directions of the
12 beneficiary unless the beneficiary is designated as, is, or becomes
13 incapacitated. The custodial trust property consists of

14 _____

15 Dated _____

16 _____

17 (Signature of Custodial Trustee).

18 (c) Upon accepting custodial trust property, a person designated as custodial trustee under
19 this chapter is subject to the personal jurisdiction of the court with respect to a matter relating
20 to the custodial trust.

21 Sec. 13.60.040. TRANSFER TO CUSTODIAL TRUSTEE BY FIDUCIARY OR
22 OBLIGOR; FACILITY OF PAYMENT. (a) Unless otherwise directed by an instrument
23 designating a custodial trustee under AS 13.60.020, a person, including a fiduciary other than a
24 custodial trustee, who holds property of or owes a debt to an incapacitated individual not having
25 a conservator, may make a transfer to an adult member of the beneficiary's family or to a trust
26 company as custodial trustee for the use and benefit of the incapacitated individual. If the value
27 of the property or the debt exceeds \$20,000, the transfer is not effective unless authorized by the
28 court.

29 (b) A written acknowledgment of delivery, signed by a custodial trustee, is a sufficient
30 receipt and discharge for property transferred to the custodial trustee under this section.

31 Sec. 13.60.050. MULTIPLE BENEFICIARIES; SEPARATE CUSTODIAL TRUSTS;

1 SURVIVORSHIP. (a) Beneficial interests in a custodial trust created for multiple beneficiaries
2 are considered to be separate custodial trusts of equal undivided interests for each beneficiary.
3 Except in a transfer or declaration for use and benefit of a married couple, for whom survivorship
4 is presumed, a right of survivorship does not exist unless the instrument creating the custodial
5 trust specifically provides for survivorship.

6 (b) Custodial trust property held under this chapter by the same custodial trustee for the
7 use and benefit of the same beneficiary may be administered as a single custodial trust.

8 (c) A custodial trustee of custodial trust property held for more than one beneficiary shall
9 separately account to each beneficiary under AS 13.60.060 and 13.60.140 for the administration
10 of the custodial trust.

11 Sec. 13.60.060. GENERAL DUTIES OF CUSTODIAL TRUSTEE. (a) If appropriate,
12 a custodial trustee shall register or record the instrument vesting title to custodial trust property.

13 (b) If the beneficiary is not incapacitated, a custodial trustee shall follow the directions
14 of the beneficiary in the management, control, investment, or retention of the custodial trust
15 property. In the absence of effective contrary direction by the beneficiary while not
16 incapacitated, the custodial trustee shall observe the standard of care that would be observed by
17 a prudent person dealing with property of another and is not limited by another law restricting
18 investments by fiduciaries. However, a custodial trustee, in the custodial trustee's discretion, may
19 retain custodial trust property received from the transferor. If a custodial trustee has a special
20 skill or expertise or is named custodial trustee on the basis of representation of a special skill or
21 expertise, the custodial trustee shall use that skill or expertise.

22 (c) Subject to (b) of this section, a custodial trustee shall take control of and collect, hold,
23 manage, invest, and reinvest custodial trust property.

24 (d) A custodial trustee at all times shall keep custodial trust property of which the
25 custodial trustee has control, separate from all other property in a manner sufficient to identify
26 it clearly as custodial trust property of the beneficiary. Custodial trust property, the title to which
27 is subject to recordation, is identified as required by this subsection if an appropriate instrument
28 identifying the property is recorded, and custodial trust property subject to registration is
29 identified as required by this subsection if it is registered, or held in an account in the name of
30 the custodial trustee, designated in substance "as custodial trustee for _____ (name of
31 beneficiary) under the Alaska Uniform Custodial Trust Act."

1 (e) A custodial trustee shall keep records of all transactions with respect to custodial trust
2 property, including information necessary for the preparation of tax returns, and shall make the
3 records and information available at reasonable times to the beneficiary or legal representative
4 of the beneficiary.

5 (f) The exercise of a durable power of attorney for an incapacitated beneficiary is not
6 effective to terminate or direct the administration or distribution of a custodial trust.

7 Sec. 13.60.070. GENERAL POWERS OF CUSTODIAL TRUSTEE. (a) A custodial
8 trustee, acting in a fiduciary capacity, has all the rights and powers over custodial trust property
9 that an unmarried adult owner has over individually owned property, but a custodial trustee may
10 exercise those rights and powers in a fiduciary capacity only.

11 (b) This section does not relieve a custodial trustee from liability for a violation of
12 AS 13.60.060.

13 Sec. 13.60.080. USE OF CUSTODIAL TRUST PROPERTY. (a) A custodial trustee
14 shall pay to the beneficiary or expend for the beneficiary's use and benefit so much or all of the
15 custodial trust property as the beneficiary while not incapacitated may direct from time to time.

16 (b) If the beneficiary is incapacitated, the custodial trustee shall expend so much or all
17 of the custodial trust property as the custodial trustee considers advisable for the use and benefit
18 of the beneficiary and individuals who were supported by the beneficiary when the beneficiary
19 became incapacitated, or who are legally entitled to support by the beneficiary. Expenditures
20 may be made in the manner, when, and to the extent that the custodial trustee determines suitable
21 and proper, without court order and without regard to other support, income, or property of the
22 beneficiary.

23 (c) A custodial trustee may establish checking, savings, or other similar accounts of
24 reasonable amounts under which either the custodial trustee or the beneficiary may withdraw
25 funds from, or draw checks against, the accounts. Funds withdrawn from, or checks written
26 against, the account by the beneficiary are distributions of custodial trust property by the
27 custodial trustee to the beneficiary.

28 Sec. 13.60.090. DETERMINATION OF INCAPACITY; EFFECT. (a) The custodial
29 trustee shall administer the custodial trust as for an incapacitated beneficiary if

30 (1) the custodial trust was created under AS 13.60.040;

31 (2) the transferor has so directed in the instrument creating the custodial trust; or

1 (3) the custodial trustee has determined that the beneficiary is incapacitated.
2 (b) A custodial trustee may determine that the beneficiary is incapacitated by relying
3 upon
4 (1) previous direction or authority given by the beneficiary while not
5 incapacitated, including direction or authority under a durable power of attorney;
6 (2) the certificate of the beneficiary's physician; or
7 (3) other persuasive evidence.
8 (c) If a custodial trustee for an incapacitated beneficiary reasonably concludes that the
9 beneficiary's incapacity has ceased, or that circumstances concerning the beneficiary's ability to
10 manage property and business affairs have changed since the creation of a custodial trust
11 directing administration as for an incapacitated beneficiary, the custodial trustee may administer
12 the trust as for a beneficiary who is not incapacitated.
13 (d) On petition of the beneficiary, the custodial trustee, or other person interested in the
14 custodial trust property or the welfare of the beneficiary, the court shall determine whether the
15 beneficiary is incapacitated.
16 (e) Absent determination of incapacity of the beneficiary under (b) or (d) of this section,
17 a custodial trustee who has reason to believe that the beneficiary is incapacitated shall administer
18 the custodial trust under the provisions of this chapter applicable to an incapacitated beneficiary.
19 (f) Incapacity of a beneficiary does not terminate
20 (1) the custodial trust;
21 (2) a designation of a successor custodial trustee;
22 (3) rights or powers of the custodial trustee; or
23 (4) the immunities of third persons acting on instructions of the custodial trustee.
24 Sec. 13.60.100. EXEMPTION OF THIRD PERSON FROM LIABILITY. A third person
25 in good faith and without a court order may act on instructions of, or otherwise deal with, a
26 person purporting to make a transfer as, or purporting to act in the capacity of, a custodial
27 trustee. In the absence of knowledge to the contrary, the third person is not responsible for
28 determining
29 (1) the validity of the purported custodial trustee's designation;
30 (2) the propriety of, or the authority under this chapter for, an action of the
31 purported custodial trustee;

1 (3) the validity or propriety of an instrument executed or instruction given under
2 this chapter either by the person purporting to make a transfer or declaration or by the purported
3 custodial trustee; or

4 (4) the propriety of the application of property vested in the purported custodial
5 trustee.

6 Sec. 13.60.110. LIABILITY TO THIRD PERSON. (a) A claim based on a contract
7 entered into by a custodial trustee acting in a fiduciary capacity, an obligation arising from the
8 ownership or control of custodial trust property, or a tort committed in the course of
9 administering the custodial trust, may be asserted by a third person against the custodial trust
10 property by proceeding against the custodial trustee in a fiduciary capacity, whether or not the
11 custodial trustee or the beneficiary is personally liable.

12 (b) A custodial trustee is not personally liable to a third person

13 (1) on a contract properly entered into in a fiduciary capacity unless the custodial
14 trustee fails to reveal that capacity or to identify the custodial trust in the contract; or

15 (2) for an obligation arising from control of custodial trust property or for a tort
16 committed in the course of the administration of the custodial trust unless the custodial trustee
17 is personally at fault.

18 (c) A beneficiary is not personally liable to a third person for an obligation arising from
19 beneficial ownership of custodial trust property or for a tort committed in the course of
20 administration of the custodial trust unless the beneficiary is personally in possession of the
21 custodial trust property giving rise to the liability or is personally at fault.

22 (d) The provisions of (b) and (c) of this section do not preclude actions or proceedings
23 to establish liability of the custodial trustee or beneficiary to the extent the person sued is
24 protected as the insured by liability insurance.

25 Sec. 13.60.120. DECLINATION, RESIGNATION, INCAPACITY, DEATH, OR
26 REMOVAL OF CUSTODIAL TRUSTEE; DESIGNATION OF SUCCESSOR CUSTODIAL
27 TRUSTEE. (a) Before accepting the custodial trust property, a person designated as custodial
28 trustee may decline to serve by notifying the person who made the designation, the transferor,
29 or the transferor's legal representative. If an event giving rise to a transfer has not occurred, the
30 substitute custodial trustee designated under AS 13.60.020 becomes the custodial trustee, or, if
31 a substitute custodial trustee has not been designated, the person who made the designation may

1 designate a substitute custodial trustee under AS 13.60.020. In other cases, the transferor or the
2 transferor's legal representative may designate a substitute custodial trustee.

3 (b) A custodial trustee who has accepted the custodial trust property may resign by

4 (1) delivering written notice to a successor custodial trustee, if any, the
5 beneficiary, and, if the beneficiary is incapacitated, to the beneficiary's conservator, if any; and

6 (2) transferring or registering the custodial trust property, or recording an
7 appropriate instrument relating to the custodial trust property, in the name of the successor
8 custodial trustee identified under (c) of this section, and delivering the records to the successor
9 custodial trustee.

10 (c) If a custodial trustee or successor custodial trustee is ineligible, resigns, dies, or
11 becomes incapacitated, the successor designated under the trust instrument or under AS 13.60.020
12 becomes custodial trustee. If there is no effective provision for a successor, the beneficiary, if
13 not incapacitated, may designate a successor custodial trustee. If the beneficiary is incapacitated,
14 or fails to act within 90 days after the ineligibility, resignation, death, or incapacity of the
15 custodial trustee, the beneficiary's conservator becomes successor custodial trustee. If the
16 beneficiary does not have a conservator or the conservator fails to act, the resigning custodial
17 trustee may designate a successor custodial trustee.

18 (d) If a successor custodial trustee is not designated under (c) of this section, the
19 transferor, the legal representative of the transferor or of the custodial trustee, an adult member
20 of the beneficiary's family, the guardian of the beneficiary, a person interested in the custodial
21 trust property, or a person interested in the welfare of the beneficiary, may petition the court to
22 designate a successor custodial trustee.

23 (e) A custodial trustee who declines to serve or resigns, or the legal representative of a
24 deceased or incapacitated custodial trustee, as soon as practicable, shall put the custodial trust
25 property and records in the possession and control of the successor custodial trustee. The
26 successor custodial trustee may enforce the obligation to deliver custodial trust property and
27 records and becomes responsible for each item as received.

28 (f) A beneficiary, the beneficiary's conservator, an adult member of the beneficiary's
29 family, a guardian of the person of the beneficiary, a person interested in the custodial trust
30 property, or a person interested in the welfare of the beneficiary, may petition the court to
31 remove the custodial trustee for cause and designate a successor custodial trustee, to require the

1 custodial trustee to furnish a bond or other security for the faithful performance of fiduciary
2 duties, or for other appropriate relief.

3 **Sec. 13.60.130. EXPENSES, COMPENSATION, AND BOND OF CUSTODIAL**
4 **TRUSTEE.** Except as otherwise provided in the instrument creating the custodial trust, in an
5 agreement with the beneficiary, or by court order, a custodial trustee

6 (1) is entitled to reimbursement from custodial trust property for reasonable
7 expenses incurred in the performance of fiduciary services;

8 (2) has a noncumulative election, to be made no later than six months after the
9 end of each calendar year, to charge a reasonable compensation for fiduciary services performed
10 during that year; and

11 (3) does not need to furnish a bond or other security for the faithful performance
12 of fiduciary duties.

13 **Sec. 13.60.140. REPORTING AND ACCOUNTING BY CUSTODIAL TRUSTEE;**
14 **DETERMINATION OF LIABILITY OF CUSTODIAL TRUSTEE.** (a) Upon the acceptance
15 of custodial trust property, the custodial trustee shall provide a written statement describing the
16 custodial trust property and shall thereafter provide a written statement of the administration of
17 the custodial trust property

18 (1) once each year;

19 (2) upon request at reasonable times by the beneficiary or the beneficiary's legal
20 representative;

21 (3) upon resignation or removal of the custodial trustee; and

22 (4) upon termination of the custodial trust.

23 (b) The statements under (a) of this section shall be provided to the beneficiary or to the
24 beneficiary's legal representative, if any. Upon termination of the beneficiary's interest, the
25 custodial trustee shall furnish a current statement to the person to whom the custodial trust
26 property is to be delivered.

27 (c) A beneficiary, the beneficiary's legal representative, an adult member of the
28 beneficiary's family, a person interested in the custodial trust property, or a person interested in
29 the welfare of the beneficiary may petition the court for an accounting by the custodial trustee
30 or the custodial trustee's legal representative.

31 (d) A successor custodial trustee may petition the court for an accounting by a previous

1 custodial trustee.

2 (e) In an action or proceeding under this chapter or in another proceeding, the court may
3 require or permit the custodial trustee or the custodial trustee's legal representative to account.
4 The custodial trustee or the custodial trustee's legal representative may petition the court for
5 approval of final accounts.

6 (f) If a custodial trustee is removed, the court shall require an accounting and order
7 delivery of the custodial trust property and records to the successor custodial trustee and the
8 execution of all instruments required for transfer of the custodial trust property.

9 (g) On petition of the custodial trustee or a person who could petition for an accounting,
10 the court, after notice to interested persons, may issue instructions to the custodial trustee or
11 review the propriety of the acts of a custodial trustee or the reasonableness of compensation
12 determined by the custodial trustee for the services of the custodial trustee or others.

13 Sec. 13.60.150. LIMITATIONS OF ACTION AGAINST CUSTODIAL TRUSTEE. (a)
14 Except as provided in (c) of this section, and unless previously barred by adjudication, consent,
15 or limitation, a claim for relief against a custodial trustee for accounting or breach of duty is
16 barred as to a beneficiary, a person to whom custodial trust property is to be paid or delivered,
17 or the legal representative of an incapacitated or deceased beneficiary or payee, if the person,
18 beneficiary, or legal representative

19 (1) has received a final account or statement fully disclosing the matter, unless
20 an action or proceeding to assert the claim is commenced within two years after receipt of the
21 final account or statement; or

22 (2) has not received a final account or statement fully disclosing the matter unless
23 an action or proceeding to assert the claim is commenced within three years after the termination
24 of the custodial trust.

25 (b) Except as provided in (c) of this section, a claim for relief to recover from a custodial
26 trustee for fraud, misrepresentation, or concealment related to the final settlement of the custodial
27 trust or concealment of the existence of the custodial trust, is barred unless an action or
28 proceeding to assert the claim is commenced within five years after the termination of the
29 custodial trust.

30 (c) A claim for relief is not barred by this section

31 (1) if the claimant is a minor, until the earlier of two years after the claimant

1 becomes an adult or dies;

2 (2) if the claimant is an incapacitated adult, until the earliest of two years after

3 (A) the appointment of a conservator;

4 (B) the removal of the incapacity; or

5 (C) the death of the claimant; or

6 (3) until two years after the claimant's death, if the claimant was an adult, who
7 is now deceased and who was not incapacitated.

8 Sec. 13.60.160. DISTRIBUTION ON TERMINATION. (a) Upon termination of a
9 custodial trust, the custodial trustee shall transfer the unexpended custodial trust property

10 (1) to the beneficiary, if not incapacitated or deceased;

11 (2) to the conservator or other recipient designated by the court for an
12 incapacitated beneficiary; or

13 (3) upon the beneficiary's death, in the following order:

14 (A) as last directed in a writing signed by the deceased beneficiary while
15 not incapacitated and received by the custodial trustee during the life of the deceased
16 beneficiary;

17 (B) to the survivor of multiple beneficiaries if survivorship is provided for
18 under AS 13.60.050;

19 (C) as designated in the instrument creating the custodial trust; or

20 (D) to the estate of the deceased beneficiary.

21 (b) If, when the custodial trust would otherwise terminate, the distributee is incapacitated,
22 the custodial trust continues for the use and benefit of the distributee as beneficiary until the
23 incapacity is removed or the custodial trust is otherwise terminated.

24 (c) Death of a beneficiary does not terminate the power of the custodial trustee to
25 discharge obligations of the custodial trustee or beneficiary incurred before the termination of the
26 custodial trust.

27 Sec. 13.60.170. METHODS AND FORMS FOR CREATING CUSTODIAL TRUSTS.

28 (a) If a transaction, including a declaration with respect to specific property or a transfer of
29 specific property, otherwise satisfies applicable law, the criteria of AS 13.60.010 are satisfied by

30 (1) the execution and either delivery to the custodial trustee or recording of an
31 instrument in substantially the following form:

1 the transferor, or the transferor if the beneficiary is other than the transferor, designated in
2 substance "as custodial trustee for _____ (name of beneficiary) under the Alaska
3 Uniform Custodial Trust Act";

4 (2) delivery of a certificated security, or a document necessary for the transfer of
5 an uncertificated security, together with any necessary endorsement, to an adult other than the
6 transferor or to a trust company as custodial trustee, accompanied by an instrument in
7 substantially the form set out in (a)(1) of this section;

8 (3) payment of money or transfer of a security held in the name of a broker or
9 a financial institution or its nominee to a broker or financial institution for credit to an account
10 in the name of a trust company, an adult other than the transferor, or the transferor if the
11 beneficiary is other than the transferor, designated in substance "as custodial trustee for
12 _____ (name of beneficiary) under the Alaska Uniform Custodial Trust Act";

13 (4) registration of ownership of a life or endowment insurance policy or annuity
14 contract with the issuer in the name of a trust company, an adult other than the transferor, or the
15 transferor if the beneficiary is other than the transferor, designated in substance "as custodial
16 trustee for _____ (name of beneficiary) under the Alaska Uniform Custodial Trust Act";

17 (5) delivery of a written assignment to an adult other than the transferor or to a
18 trust company whose name in the assignment is designated in substance by the words "as
19 custodial trustee for _____ (name of beneficiary) under the Alaska Uniform Custodial
20 Trust Act";

21 (6) irrevocable exercise of a power of appointment, under its terms, in favor of
22 a trust company, an adult other than the donee of the power, or the donee who holds the power
23 if the beneficiary is other than the donee, whose name in the appointment is designated in
24 substance "as custodial trustee for _____ (name of beneficiary) under the Alaska
25 Uniform Custodial Trust Act";

26 (7) delivery of a written notification or assignment of a right to future payment
27 under a contract to an obligor that transfers the right under the contract to a trust company, an
28 adult other than the transferor, or the transferor if the beneficiary is other than the transferor,
29 whose name in the notification or assignment is designated in substance "as custodial trustee for
30 _____ (name of beneficiary) under the Alaska Uniform Custodial Trust Act";

31 (8) execution, delivery, and recordation of a conveyance of an interest in real

1 property in the name of a trust company, an adult other than the transferor, or the transferor if
2 the beneficiary is other than the transferor, designated in substance "as custodial trustee for
3 _____ (name of beneficiary) under the Alaska Uniform Custodial Trust Act";

4 (9) issuance of a certificate of title by an agency of a state or of the United States
5 that evidences title to tangible personal property

6 (A) issued in the name of a trust company, an adult other than the
7 transferor, or the transferor if the beneficiary is other than the transferor, designated in
8 substance "as custodial trustee for _____ (name of beneficiary) under the
9 Alaska Uniform Custodial Trust Act"; or

10 (B) delivered to a trust company or an adult other than the transferor or
11 endorsed by the transferor to that person, designated in substance "as custodial trustee for
12 _____ (name of beneficiary) under the Alaska Uniform Custodial Trust Act";

13 or

14 (10) execution and delivery of an instrument of gift to a trust company or an adult
15 other than the transferor, designated in substance "as custodial trustee for _____
16 (name of beneficiary) under the Alaska Uniform Custodial Trust Act."

17 Sec. 13.60.180. APPLICABLE LAW. (a) This chapter applies to a transfer or
18 declaration creating a custodial trust that refers to this chapter if, at the time of the transfer or
19 declaration, the transferor, beneficiary, or custodial trustee is a resident of or has its principal
20 place of business in this state or custodial trust property is located in this state. The custodial
21 trust remains subject to this chapter despite a later change in residence or principal place of
22 business of the transferor, beneficiary, or custodial trustee, or removal of the custodial trust
23 property from this state.

24 (b) A transfer made under an act of another state substantially similar to this chapter is
25 governed by the law of that state and may be enforced in this state.

26 Sec. 13.60.190. UNIFORMITY OF APPLICATION AND CONSTRUCTION. This
27 chapter shall be applied and construed to effectuate its general purpose to make uniform the law
28 with respect to the subject of this chapter among states enacting it.

29 Sec. 13.60.900. DEFINITIONS. In this chapter,

30 (1) "adult" means an individual who is at least 18 years of age;

31 (2) "beneficiary" means an individual for whom property has been transferred to

1 or held under a declaration of trust by a custodial trustee for the individual's use and benefit
2 under this chapter;

3 (3) "conservator" means a person appointed or qualified by a court to manage the
4 estate of an individual or a person legally authorized to perform substantially the same functions;

5 (4) "court" means the superior court of this state;

6 (5) "custodial trust property" means an interest in property transferred to or held
7 under a declaration of trust by a custodial trustee under this chapter and the income from and
8 proceeds of that interest;

9 (6) "custodial trustee" means a person designated as trustee of a custodial trust
10 under this chapter or a substitute or successor to the person designated;

11 (7) "guardian" means a person appointed or qualified by a court as a guardian of
12 an individual, including a limited guardian, but not a person who is only a guardian ad litem;

13 (8) "incapacitated" means lacking the ability to manage property and business
14 affairs effectively by reason of mental illness, mental deficiency, physical illness or disability,
15 chronic use of drugs, chronic intoxication, confinement, detention by a foreign power,
16 disappearance, minority, or other disabling cause;

17 (9) "legal representative" means a personal representative or conservator;

18 (10) "member of the beneficiary's family" means a beneficiary's spouse,
19 descendant, stepchild, parent, stepparent, grandparent, brother, sister, uncle, or aunt, whether of
20 the whole or half blood or by adoption;

21 (11) "personal representative" means an executor, administrator, or special
22 administrator of a decedent's estate, a person legally authorized to perform substantially the same
23 functions, or a successor to any of them;

24 (12) "state" means a state, territory, or possession of the United States, the District
25 of Columbia, or the Commonwealth of Puerto Rico;

26 (13) "transferor" means a person who creates a custodial trust by transfer or
27 declaration;

28 (14) "trust company" means a financial institution, corporation, or other legal
29 entity, authorized to exercise general trust powers.

30 Sec. 13.60.990. SHORT TITLE. This chapter may be cited as the Alaska Uniform
31 Custodial Trust Act.