

**HOUSE BILL NO. 280**

**IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE RULES COMMITTEE**

**Introduced: 4/8/93**

**Referred: State Affairs, Judiciary**

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

10 **(b) A person may create a custodial trust of property by a written declaration,**  
11 **evidenced by registration of the property or by other instrument of declaration executed**  
12 **in a lawful manner, describing the property and naming as beneficiary an individual**  
13 **other than the declarant, in which the declarant as titleholder is designated, in**  
14 **substance, as custodial trustee under this chapter. A registration or other declaration**

1 of trust for the sole benefit of the declarant is not a custodial trust under this chapter.

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

4 (d) Except as provided in (e) of this section, a transferor may not terminate a  
5 custodial 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  
8 writing signed by the beneficiary or conservator declaring the termination. If not  
9 previously terminated, the custodial trust terminates on the death of the beneficiary.

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

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

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

17 Sec. 13.60.020. CUSTODIAL TRUSTEE FOR FUTURE PAYMENT OR  
18 TRANSFER. (a) A person having the right to designate the recipient of property  
19 payable or transferable upon a future event may create a custodial trust upon the  
20 occurrence of the future event by designating in writing the recipient, followed in  
21 substance by "as custodial trustee for \_\_\_\_\_ (name of beneficiary) under the  
22 Alaska Uniform Custodial Trust Act."

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

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

31 Sec. 13.60.030. FORM AND EFFECT OF RECEIPT AND ACCEPTANCE

1 BY CUSTODIAL TRUSTEE; JURISDICTION. (a) The obligations of a custodial  
2 trustee, including the obligation to follow directions of the beneficiary, arise under this  
3 chapter upon the custodial trustee's acceptance, express or implied, of the custodial  
4 trust property.

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

7 CUSTODIAL TRUSTEE'S RECEIPT AND ACCEPTANCE

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

19 Dated \_\_\_\_\_

20 \_\_\_\_\_  
21 (Signature of Custodial Trustee).

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

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

1 exceeds \$20,000, the transfer is not effective unless authorized by the court.

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

5 Sec. 13.60.050. MULTIPLE BENEFICIARIES; SEPARATE CUSTODIAL  
6 TRUSTS; SURVIVORSHIP. (a) Beneficial interests in a custodial trust created for  
7 multiple beneficiaries are considered to be separate custodial trusts of equal undivided  
8 interests for each beneficiary. Except in a transfer or declaration for use and benefit  
9 of a married couple, for whom survivorship is presumed, a right of survivorship does  
10 not exist unless the instrument creating the custodial trust specifically provides for  
11 survivorship.

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

15 (c) A custodial trustee of custodial trust property held for more than one  
16 beneficiary shall separately account to each beneficiary under AS 13.60.060 and  
17 13.60.140 for the administration of the custodial trust.

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

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

31 (c) Subject to (b) of this section, a custodial trustee shall take control of and

1 collect, hold, manage, invest, and reinvest custodial trust property.

2 (d) A custodial trustee at all times shall keep custodial trust property of which  
3 the custodial trustee has control, separate from all other property in a manner sufficient  
4 to identify it clearly as custodial trust property of the beneficiary. Custodial trust  
5 property, the title to which is subject to recordation, is identified as required by this  
6 subsection if an appropriate instrument identifying the property is recorded, and  
7 custodial trust property subject to registration is identified as required by this  
8 subsection if it is registered, or held in an account in the name of the custodial trustee,  
9 designated in substance "as custodial trustee for \_\_\_\_\_ (name of beneficiary)  
10 under the Alaska Uniform Custodial Trust Act."

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

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

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

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

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

29 (b) If the beneficiary is incapacitated, the custodial trustee shall expend so  
30 much or all of the custodial trust property as the custodial trustee considers advisable  
31 for the use and benefit of the beneficiary and individuals who were supported by the

1 beneficiary when the beneficiary became incapacitated, or who are legally entitled to  
2 support by the beneficiary. Expenditures may be made in the manner, when, and to  
3 the extent that the custodial trustee determines suitable and proper, without court order  
4 and without regard to other support, income, or property of the beneficiary.

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

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

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

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

16 (3) the custodial trustee has determined that the beneficiary is  
17 incapacitated.

18 (b) A custodial trustee may determine that the beneficiary is incapacitated by  
19 relying upon

20 (1) previous direction or authority given by the beneficiary while not  
21 incapacitated, including direction or authority under a durable power of attorney;

22 (2) the certificate of the beneficiary's physician; or

23 (3) other persuasive evidence.

24 (c) If a custodial trustee for an incapacitated beneficiary reasonably concludes  
25 that the beneficiary's incapacity has ceased, or that circumstances concerning the  
26 beneficiary's ability to manage property and business affairs have changed since the  
27 creation of a custodial trust directing administration as for an incapacitated beneficiary,  
28 the custodial trustee may administer the trust as for a beneficiary who is not  
29 incapacitated.

30 (d) On petition of the beneficiary, the custodial trustee, or other person  
31 interested in the custodial trust property or the welfare of the beneficiary, the court

1 shall determine whether the beneficiary is incapacitated.

2 (e) Absent determination of incapacity of the beneficiary under (b) or (d) of  
3 this section, a custodial trustee who has reason to believe that the beneficiary is  
4 incapacitated shall administer the custodial trust under the provisions of this chapter  
5 applicable to an incapacitated beneficiary.

6 (f) Incapacity of a beneficiary does not terminate

- 7 (1) the custodial trust;
- 8 (2) a designation of a successor custodial trustee;
- 9 (3) rights or powers of the custodial trustee; or
- 10 (4) the immunities of third persons acting on instructions of the  
11 custodial trustee.

12 Sec. 13.60.100. EXEMPTION OF THIRD PERSON FROM LIABILITY. A  
13 third person in good faith and without a court order may act on instructions of, or  
14 otherwise deal with, a person purporting to make a transfer as, or purporting to act in  
15 the capacity of, a custodial trustee. In the absence of knowledge to the contrary, the  
16 third person is not responsible for determining

- 17 (1) the validity of the purported custodial trustee's designation;
- 18 (2) the propriety of, or the authority under this chapter for, an action  
19 of the purported custodial trustee;
- 20 (3) the validity or propriety of an instrument executed or instruction  
21 given under this chapter either by the person purporting to make a transfer or  
22 declaration or by the purported custodial trustee; or
- 23 (4) the propriety of the application of property vested in the purported  
24 custodial trustee.

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



1 an appropriate instrument relating to the custodial trust property, in the name of the  
2 successor custodial trustee identified under (c) of this section, and delivering the  
3 records to the successor custodial trustee.

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

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

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

24 (f) A beneficiary, the beneficiary's conservator, an adult member of the  
25 beneficiary's family, a guardian of the person of the beneficiary, a person interested  
26 in the custodial trust property, or a person interested in the welfare of the beneficiary,  
27 may petition the court to remove the custodial trustee for cause and designate a  
28 successor custodial trustee, to require the custodial trustee to furnish a bond or other  
29 security for the faithful performance of fiduciary duties, or for other appropriate relief.

30 Sec. 13.60.130. EXPENSES, COMPENSATION, AND BOND OF  
31 CUSTODIAL TRUSTEE. Except as otherwise provided in the instrument creating the

1        custodial trust, in an agreement with the beneficiary, or by court order, a custodial  
2 trustee

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

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

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

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

15                        (1) once each year;

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

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

19                        (4) upon termination of the custodial trust.

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

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

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

30                (e) In an action or proceeding under this chapter or in another proceeding, the  
31 court may require or permit the custodial trustee or the custodial trustee's legal

1 representative to account. The custodial trustee or the custodial trustee's legal  
2 representative may petition the court for approval of final accounts.

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

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

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

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

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

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

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

30 (1) if the claimant is a minor, until the earlier of two years after the  
31 claimant becomes an adult or dies;

1 (2) if the claimant is an incapacitated adult, until the earliest of two  
2 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  
7 adult, who is now deceased and who was not incapacitated.

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

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

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

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

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

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

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

21 or

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

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

27 (c) Death of a beneficiary does not terminate the power of the custodial trustee  
28 to discharge obligations of the custodial trustee or beneficiary incurred before the  
29 termination of the custodial trust.

30 Sec. 13.60.170. METHODS AND FORMS FOR CREATING CUSTODIAL  
31 TRUSTS. (a) If a transaction, including a declaration with respect to specific property

1 or a transfer of specific property, otherwise satisfies applicable law, the criteria of  
2 AS 13.60.010 are satisfied by

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

5 **TRANSFER UNDER THE ALASKA UNIFORM CUSTODIAL TRUST ACT**

6 I, \_\_\_\_\_ (name of transferor or name and  
7 representative capacity if a fiduciary), transfer to  
8 \_\_\_\_\_ (name of trustee other than transferor), as  
9 custodial trustee for \_\_\_\_\_ (name of  
10 beneficiary) as beneficiary and \_\_\_\_\_ as distributee on  
11 termination of the trust in absence of direction by the  
12 beneficiary under the Alaska Uniform Custodial Trust Act, the  
13 following: (insert a description of the custodial trust property  
14 legally sufficient to identify and transfer each item of property).

15 Dated: \_\_\_\_\_

16 \_\_\_\_\_  
17 (Signature); or

18 (2) the execution and the recording or giving notice of its execution to  
19 the beneficiary of an instrument in substantially the following form:

20 **DECLARATION OF TRUST UNDER THE ALASKA UNIFORM**  
21 **CUSTODIAL TRUST ACT**

22 I, \_\_\_\_\_ (name of owner of property),  
23 declare that from this date I hold as custodial trustee for  
24 \_\_\_\_\_ (name of beneficiary other than transferor)  
25 as beneficiary and \_\_\_\_\_ as distributee on  
26 termination of the trust in absence of direction by the  
27 beneficiary under the Alaska Uniform Custodial Trust Act, the  
28 following: (insert a description of the custodial trust property  
29 legally sufficient to identify and transfer each item of property).

30 Dated: \_\_\_\_\_

31 \_\_\_\_\_

1 (Signature).

2 (b) Either form identified under (a) of this section may be modified by the  
3 transferor of the property to include, for example, the designation of an alternate or  
4 successor trustee or the recipient of the custodial property upon termination of the  
5 trust.

6 (c) Customary methods of transferring or evidencing ownership of property  
7 may be used to create a custodial trust, including the following:

8 (1) registration of a security in the name of a trust company, an adult  
9 other than the transferor, or the transferor if the beneficiary is other than the transferor,  
10 designated in substance "as custodial trustee for \_\_\_\_\_ (name of  
11 beneficiary) under the Alaska Uniform Custodial Trust Act";

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

16 (3) payment of money or transfer of a security held in the name of a  
17 broker or a financial institution or its nominee to a broker or financial institution for  
18 credit to an account in the name of a trust company, an adult other than the transferor,  
19 or the transferor if the beneficiary is other than the transferor, designated in substance  
20 "as custodial trustee for \_\_\_\_\_ (name of beneficiary) under the Alaska  
21 Uniform Custodial Trust Act";

22 (4) registration of ownership of a life or endowment insurance policy  
23 or annuity contract with the issuer in the name of a trust company, an adult other than  
24 the transferor, or the transferor if the beneficiary is other than the transferor, designated  
25 in substance "as custodial trustee for \_\_\_\_\_ (name of beneficiary) under the  
26 Alaska Uniform Custodial Trust Act";

27 (5) delivery of a written assignment to an adult other than the transferor  
28 or to a trust company whose name in the assignment is designated in substance by the  
29 words "as custodial trustee for \_\_\_\_\_ (name of beneficiary) under the Alaska  
30 Uniform Custodial Trust Act";

31 (6) irrevocable exercise of a power of appointment, under its terms, in

1 favor of a trust company, an adult other than the donee of the power, or the donee who  
2 holds the power if the beneficiary is other than the donee, whose name in the  
3 appointment is designated in substance "as custodial trustee for \_\_\_\_\_  
4 (name of beneficiary) under the Alaska Uniform Custodial Trust Act";

5 (7) delivery of a written notification or assignment of a right to future  
6 payment under a contract to an obligor that transfers the right under the contract to a  
7 trust company, an adult other than the transferor, or the transferor if the beneficiary  
8 is other than the transferor, whose name in the notification or assignment is designated  
9 in substance "as custodial trustee for \_\_\_\_\_ (name of beneficiary) under  
10 the Alaska Uniform Custodial Trust Act";

11 (8) execution, delivery, and recordation of a conveyance of an interest  
12 in real property in the name of a trust company, an adult other than the transferor, or  
13 the transferor if the beneficiary is other than the transferor, designated in substance "as  
14 custodial trustee for \_\_\_\_\_ (name of beneficiary) under the Alaska  
15 Uniform Custodial Trust Act";

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

18 (A) issued in the name of a trust company, an adult other than  
19 the transferor, or the transferor if the beneficiary is other than the transferor,  
20 designated in substance "as custodial trustee for \_\_\_\_\_ (name of  
21 beneficiary) under the Alaska Uniform Custodial Trust Act"; or

22 (B) delivered to a trust company or an adult other than the  
23 transferor or endorsed by the transferor to that person, designated in substance  
24 "as custodial trustee for \_\_\_\_\_ (name of beneficiary) under the  
25 Alaska Uniform Custodial Trust Act"; or

26 (10) execution and delivery of an instrument of gift to a trust company  
27 or an adult other than the transferor, designated in substance "as custodial trustee for  
28 \_\_\_\_\_ (name of beneficiary) under the Alaska Uniform Custodial  
29 Trust Act."

30 Sec. 13.60.180. APPLICABLE LAW. (a) This chapter applies to a transfer  
31 or declaration creating a custodial trust that refers to this chapter if, at the time of the

1 transfer or declaration, the transferor, beneficiary, or custodial trustee is a resident of  
2 or has its principal place of business in this state or custodial trust property is located  
3 in this state. The custodial trust remains subject to this chapter despite a later change  
4 in residence or principal place of business of the transferor, beneficiary, or custodial  
5 trustee, or removal of the custodial trust property from this state.

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

8 Sec. 13.60.190. UNIFORMITY OF APPLICATION AND CONSTRUCTION.

9 This chapter shall be applied and construed to effectuate its general purpose to make  
10 uniform the law with respect to the subject of this chapter among states enacting it.

11 Sec. 13.60.900. DEFINITIONS. In this chapter,

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

13 (2) "beneficiary" means an individual for whom property has been  
14 transferred to or held under a declaration of trust by a custodial trustee for the  
15 individual's use and benefit under this chapter;

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

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

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

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

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

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

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

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

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

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

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

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

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