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FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 694
 Title: "...relating to administration of decedents' estates..."
 Sponsor: House Rules/Code Rev. Comm.
 Requestor: House Judiciary
 Date of Request: 3/13/84

FISCAL DETAIL

Agency Affected: Department of Law
 Program Category Affected: General Government
 Program or Subprogram(s) Affected: Legal Services Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 85	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Richard I. Pegues Phone: 465 3672
 Division: Administrative Services Division Date: 3-13-84
 Approved by Commissioner: Norman C. Gorsuch Date: 3-13-84
 Agency: Department of Law

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Fiscal Note
Analysis
HB 694

March 13, 1984

This bill was requested by the Code Revision Commission to adjust for inflation the dollar amounts in certain neglected sections of the Uniform Probate Code. This is the first such adjustment since the Code was adopted in 1972. It is estimated that the CPI will have risen 146% from 1972 until the bill would take effect in January 1, 1985. Because this bill only deals with private financial transactions, it will not have a fiscal impact on state government operations.

HOUSE AND SENATE JOINT
JOURNAL SUPPLEMENT

March 1, 1984

No. 21

ALASKA CODE REVISION COMMISSION



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EXECUTIVE SECRETARY
BILLY G. BERRIER

March 1, 1984

Senator Bill Ray, Chairman
Alaska Legislative Council
Pouch V, State Capitol
Juneau, Alaska 99811

- RE: (1) a bill relating to principal and (HB 693/SB 511)
income of trusts;
(2) a bill relating to administration (HB 694/SB 512)
of decedents' estates;
(3) a bill relating to renunciation of (HB 695/SB 513)
of rights in decedents' estates;
(4) a bill relating to married persons' (HB 696/SB 514)
rights in a family home; and
(5) a bill relating to the uniform dis- (HB 697/SB 515)
position of certain property rights
at death

Dear Senator Ray:

Pursuant to AS 24.20, the Alaska Code Revision Commission has prepared the enclosed bills and respectfully asks that they be introduced in the legislature.

They are technical bills the Commission has been working on with the probate committee of the Alaska Bar Association. They relate generally to rights at death and to property arrangements that usually have their inception in death.

At its last meeting, the Legislative Council agreed to introduce the bills.

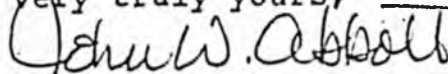
One of the bills, the bill on disposition of certain property rights at death, was previously in the legislature but received little notice. It is revived at the request of the probate committee of the Alaska Bar Association, and that

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committee has advised the commission that it will actively support the bill.

A commentary on each bill is enclosed.

Very truly yours,



John W. Abbott, Chairman
Alaska Code Revision Commission

JWA:chw

Enclosures

cc: Hon. Bill Sheffield
Hon. Edmond W. Burke, Chief Justice
Myrton R. Charney, Executive Director
Legislative Affairs Agency

-- COVERS IDENTICAL BILLS: HB 694 & SB 512 --

ALASKA CODE REVISION COMMISSION
COMMENTARY TO ACCOMPANY BILL ON
ADMINISTRATION OF DECEDENTS' ESTATES

This bill has a single purpose--to adjust for inflation the dollar amounts in certain neglected sections of the Uniform Probate Code.

The code was enacted in Alaska in 1972. From July, 1972 to November, 1983 the "Consumer Price Index for All Urban Consumers for the Anchorage Metropolitan Area" moved from 1.159 to 2.704. The CPI has been erratic the past several months. However, a reasonable guess is that the CPI on January 1, 1985, the effective date set in the bill, will be 2.856, an increase of 146% over 1972. The dollar figures in the bill are adjusted roughly consistent with that percentage. Broadly rounded figures are used.

In the first section of the bill, the figures used for the homestead allowance are those of the homestead exemption in the Alaska Exemptions Act, AS 09.38. That is a recent Act, ch. 62, SLA 1982. It is desirable, but not necessary, that the homestead allowance in the Probate Code and the homestead exemption in the Exemptions Act be the same.

The other changed figures in the bill are tied to nothing but changes in the cost of living that have already occurred.

An alternative to setting fixed figures would be indexing figures to the consumer price index, such as is provided in section 09.38.115 of the Alaska Exemptions Act. If that approach were taken, the Revisor of Statutes could be required to change figures under the formula adopted. The formula could be adjusted so a figure would be determined a year in advance of its effective date, and the change would appear in the supplement to Alaska Statutes. The indexing alternative could readily be adopted for this bill. It is not adopted, however, since it may be advisable to let the indexing provisions in the Exemptions Act be tested before they are adopted elsewhere.