

**HB**

**517**





# ALASKA STATE LEGISLATURE

## House of Representatives

COMMITTEE ASSIGNMENTS  
LABOR & COMMERCE COMMITTEE, CHAIRMAN  
COMMUNITY & REG AFFAIRS COMMITTEE, MEMBER  
SPECIAL COMMITTEE ON OIL & GAS, MEMBER  
ADMINISTRATIVE REGULATION REVIEW COMMITTEE, MEMBER

website <http://www.akrepublicans.org/Anderson.htm>




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## Representative Tom Anderson

email: [Representative\\_Tom\\_Anderson@legis.state.ak.us](mailto:Representative_Tom_Anderson@legis.state.ak.us)

Date: March 17, 2004  
To: Representative Lesil McGuire, Chair  
House Judiciary Committee  
From: Representative Tom Anderson   
Re: HB 517

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I respectfully request you schedule HB 517 for Senate Finance Committee pending referral from Senate Judiciary.

Enclosed for your consideration are:

1. HB 517
2. Sponsor Statement
3. Fiscal Note (DCED)
4. Communications of support
  - a. James L. Cloud, Senior VP Wells Fargo

Thank you for your consideration of this request.

# Alaska State Legislature

## House of Representatives



Official Business

State Capitol  
Juneau, AK 99801-1182

### SPONSOR STATEMENT FOR HB 517 BY: Representative Tom Anderson

**TITLE:** "An Act relating to registration in beneficiary form of certain security accounts, including certain reinvestment, investment management, and custody accounts."

HB 517 will permit an investment management, custody account with a trust company or a trust division of a bank with trust powers to have a beneficiary designation take effect upon death of the owner.

Under current law, securities and brokerage accounts may have beneficiary designations take effect upon the death of the owner pursuant to the Uniform Transfer on Death [TOD] Security Registration Act. However, the current definition in Alaska statute of Security Account in the Uniform Act is not broad enough to include investment management or custody accounts, which are generally used by trust departments. The legislation will now allow all of these products to avoid probate by providing a statutory authorization to use a beneficiary designation. It will also put bank trust departments on an equal footing with brokerage firms.

The problem cannot be solved other than by statute. Several states, including California, Idaho, Iowa, Minnesota, and Washington, have enacted similar legislation in the last three years.

HB 517 will allow investment management or custody accounts, generally offered by trust departments in the banking industry, to compete on equal footing with brokerage accounts offered by brokerage companies. Further, the legislation will allow bank customers another opportunity for probate avoidance.

I urge your support for this legislation.

# FISCAL NOTE

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: HB 517  
(H) Publish Date: 3/3/04

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
Title Security Account Beneficiary Designation RDU Banking, Securities & Corp (115)  
Component Banking, Securities & Corp  
Sponsor House Labor & Commerce  
Requester House Labor & Commerce Component No. 1233

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2004) cost: 0.0  
Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation would require owners and sellers of securities to register certain security accounts including certain reinvestment, investment management and custody accounts. It would also provide for an account to be opened before death that will be funded after death.

This legislation has no impact on the operations of the division.

Prepared by: Mark Davis, Director Phone (907) 465-2521  
Division Banking, Securities & Corporations Date/Time 2/27/04 5:49 PM  
Approved by: Edgar Blatchford, Commissioner Date 2/27/2004  
Agency Department of Community & Economic Development



March 1, 2004

Honorable Tom Anderson, Chairman  
House Labor and Commerce Committee  
State Capitol (MS 3100)  
Juneau, AK 99801

Dear Representative Anderson:

I am writing in support of HB 517. This is a technical amendment to current law that evens the playing field by allowing an investment management or custody account with a trust company or a trust division of a bank with trust powers to have a beneficiary designation that will take effect upon death of an owner.

From my perspective, I feel that this legislation is very consumer friendly and will avoid the drawn out procedures of probate. Many states around the country have recognized the need for this type of legislation and have amended their laws in the past year or two.

I would urge your committee's expedited review and urge the bill's passage. Should you have any questions or would like to discuss this matter further, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. Cloud".

James L. Cloud  
Senior Vice President