

SB

65

<TARGET><BILL>SB 65</BILL><SUBJECT>SB
65</SUBJECT><COMM>SJUD28</COMM></TARGET>

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: CSSB 65(L&C)
Fiscal Note Number: 1
(S) Publish Date: 3/27/13

Identifier: SB065-LAW-CIV-03-18-13
Title: RETIREMENT PLANS; ROTH IRAS; PROBATE
Sponsor: COGHILL
Requester: (S) Labor & Commerce

Department: Department of Law
Appropriation: Civil Division
Allocation: Commercial and Fair Business
OMB Component Number: 2717

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2014	FY 2014					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By:	Loretta Withington, Division Operations Manager	Phone:	(907)465-5427
Division:	Administrative Services Division	Date:	03/19/2013 12:00 AM
Approved By:	Michael C. Geraghty, Attorney General	Date:	03/19/13
	Department of Law		

FISCAL NOTE ANALYSIS #1

**STATE OF ALASKA
2013 LEGISLATIVE SESSION**

BILL NO. CSSB 65(L&C)

Analysis

SB 65 makes numerous changes to the Uniform Probate Code, the Alaska Principal and Income Act, the Alaska Uniform Prudent Investor Act and the Alaska Uniform Transfers to Minors Act. It also amends the exemptions from execution to include a beneficiary's interest in retirement plans, IRAs and Roth IRAs and clarifies the rights of judgment creditors of members of LLCs and partners of LLPs. These matters are not typically handled by the Department of Law but rather by private attorneys and financial advisors.

We see no fiscal impact to the Department of Law.

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: CSSB 65(L&C)
Fiscal Note Number: 2
(S) Publish Date: 3/27/13

Identifier: SB065-DOR-TRS-03-16-13
Title: RETIREMENT PLANS; ROTH IRAS; PROBATE
Sponsor: COGHILL
Requester: Senate Labor & Commerce

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Treasury Division
OMB Component Number: 121

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates					
			FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial version.

Prepared By:	Pamela Leary	Phone:	(907)465-2350
Division:	Treasury	Date:	03/16/2013 05:16 PM
Approved By:	Angela Rodell	Date:	03/16/13
	Deputy Commissioner, DOR		

FISCAL NOTE ANALYSIS #2

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSSB 65(L&C)

Analysis

This bill clarifies exemptions and rights relating to retirement plans, IRAs and probate assets. No additional costs will be incurred as a result of this bill being enacted.

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: CSSB 65(L&C)
Fiscal Note Number: 3
(S) Publish Date: 3/27/13

Identifier: SB065-DOA-DRB-3-15-13
Title: RETIREMENT PLANS; ROTH IRAS; PROBATE
Sponsor: COGHILL
Requester: Senate Labor and Commerce

Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Retirement and Benefits
OMB Component Number: 64

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates					
			FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By:	Jim Puckett, Director	Phone:	(907)465-4471
Division	Division of Retirement and Benefits	Date:	03/15/2013 12:00 AM
Approved By:	Curtis Thayer, Deputy Commissioner	Date:	03/15/13
	Department of Administration		

FISCAL NOTE ANALYSIS #3

**STATE OF ALASKA
2013 LEGISLATIVE SESSION**

BILL NO. CSSB 65(L&C)

Analysis

SB 65 has no fiscal or actuarial impact on the state retirement systems or the Division of Retirement and Benefits. Retirement Systems' statutes do not allow any assignment of benefits to creditors, whether they are benefits paid to a member, survivor or beneficiary. This bill extends the protections on retirement plan assets from creditors to beneficiaries or survivors after the funds are disbursed from the plans.

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: CSSB 65(L&C)
Fiscal Note Number: 4
(S) Publish Date: 3/27/13

Identifier: SB065-DCCED-DOI-03-15-13
Title: RETIREMENT PLANS; ROTH IRAS; PROBATE
Sponsor: COGHILL
Requester: Senate Labor and Commerce

Department: Department of Commerce, Community and
Economic Development
Appropriation: Insurance Operations
Allocation: Insurance Operations
OMB Component Number: 354

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2014	FY 2014					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	***		***	***	***	***	***
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable - initial version.

Prepared By: Bret Kolb, Division Director
Division: Division of Insurance
Approved By: JoEllen Hanrahan, Director
Administrative Services Division

Phone: (907)269-7900
Date: 03/15/2013 11:30 PM
Date: 03/16/13

FISCAL NOTE ANALYSIS #4

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSSB 65(L&C)

Analysis

SB 65 updates the trust and estate laws for the state of Alaska. It extends protection for retirement plan assets to the beneficiaries of retirement plans (often the surviving spouse), provides means of representation for minors and incapacitated persons in dealing with settlements of accounts or settlement agreements, amends the 2003 Alaska Principal and Income Act to conform to current IRS regulations, provides rules concerning who may control the disposition of decedents' remains, makes conforming amendments to Alaska's laws regarding insurable interests to align with changes to the Uniform Trust Code, provides that IRA interests can be voluntarily transferred to a family member or trust, makes amendments to Alaska's community property provisions to update and clarify the ownership of community property, shortens the statute of limitations for creditors' claims for transfers into an irrevocable trust, increases protections for L.L.C. and Limited Partnership interests, and allows a beneficiary to extend the time funds will be held in a Uniform Transfer to Minors Account.

Section 37 of the bill expands the favorable premium tax rate for individual life insurance policies to include group life insurance policies. This would have an effect on the amount of premium tax received by the Division of Insurance on group policies with annual premiums over \$100,000. Currently these group policies would be taxed under AS 21.09.210 (b) at a flat 2.7% premium tax, if amended they would be taxed at 2.7% on only the first \$100,000 of premium and then one-tenth of one percent on premium over \$100,000 in premium.

Data is not available to determine an accurate "change in revenues" impact of this legislation. Although it reduces the tax rate for group life insurance premiums over \$100,000, which could reduce premium taxes collected by the Division, this creates a more favorable tax structure and consequently could increase the number of policies written in Alaska resulting in more premium tax being collected by the Division.

Assuming that the amount of group life insurance premium written in Alaska stays the same as in 2011 and that each insurer's group life insurance business would be taxed subject to the amended language, the maximum amount of premium tax the Division would not collect as a result of the amendment would be \$1.4 mil.

By contrast, it is possible that given the large premium amounts required to qualify for the premium tax rate under AS 21.09.210(m), there might be no reduction in premium tax, as none of the current policies would qualify. If that were the case, the only change to the amount of premium tax collected as a result of this bill would be due to additional policies sold as a result of the more favorable tax structure.

The Division of Insurance does not anticipate this bill will have a fiscal impact on it's operational costs.

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: CSSB 65(JUD)
Fiscal Note Number: 5
(S) Publish Date: 4/8/13

Identifier: SB065CS(JUD)-DCCED-DOI-04-02-13
Title: RETIREMENT PLANS; ROTH IRAS; PROBATE
Sponsor: COGHILL
Requester: Senate Judiciary

Department: Department of Commerce, Community and
Economic Development
Appropriation: Insurance Operations
Allocation: Insurance Operations
OMB Component Number: 354

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates					
			FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

This fiscal note updates the change in revenues to zero to reflect the removal of section 37 in the Senate Judiciary CS.
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Prepared By:	Bret Kolb, Director	Phone:	(907)269-7900
Division	Division of Insurance	Date:	04/02/2013 05:45 PM
Approved By:	Susan K. Bell, Commissioner	Date:	04/02/13
	Commerce, Community, and Economic Development		

FISCAL NOTE ANALYSIS #5

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSSB 65(JUD)

Analysis

SB 65 updates the trust and estate laws for the state of Alaska. It extends protection for retirement plan assets to the beneficiaries of retirement plans (often the surviving spouse), provides means of representation for minors and incapacitated persons in dealing with settlements of accounts or settlement agreements, amends the 2003 Alaska Principal and Income Act to conform to current IRS regulations, provides rules concerning who may control the disposition of decedents' remains, makes conforming amendments to Alaska's laws regarding insurable interests to align with changes to the Uniform Trust Code, provides that IRA interests can be voluntarily transferred to a family member or trust, makes amendments to Alaska's community property provisions to update and clarify the ownership of community property, shortens the statute of limitations for creditors' claims for transfers into an irrevocable trust, increases protections for L.L.C. and Limited Partnership interests, and allows a beneficiary to extend the time funds will be held in a Uniform Transfer to Minors Account.

There is no anticipated fiscal impact to the Division of Insurance from this bill.