

HB

188

<TARGET><BILL>HB 188</BILL><SUBJECT>HB
188</SUBJECT><COMM>HFIN29</COMM></TARGET>

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 21, 2016

FURTHER REFERRALS:

Date of Committee Action: 4-7-2016

The FINANCE Committee considered:

HB 188

HOUSE BILL NO. 188

"An Act relating to financial accounts for persons with disabilities; relating to financial institutions; relating to property exemptions; relating to securities; and providing for an effective date."

HB 188-PERSON W/DISABILITY SAVINGS ACCOUNTS

Recommends it be replaced with HCS or CS for HB 188 (FIN)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

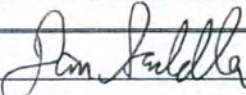

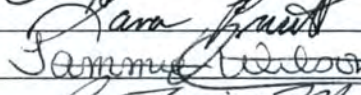
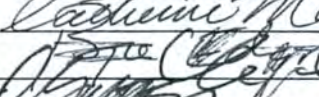
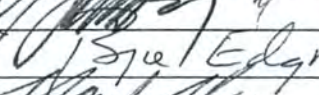


- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

- List of Abbrev for Depts.:
- ADM
 - AJS
 - CED
 - COR
 - EED
 - DEC
 - DFG
 - GOV
 - DHS
 - LWF
 - LAW
 - LEG
 - MVA
 - DNR
 - DPS
 - REV
 - DOT
 - UA

<u>NEW FISCAL NOTES</u>				
*FN# is assigned by Chief Clerk's Office				
*FN#	List by Dept(s):	Fiscal	Indet.	Zero
	REV	X		
	DHS			X

<u>PREVIOUS FISCAL NOTES</u>				
FN#	List by Dept(s):	Fiscal	Indet.	Zero

(11)

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	SADDLER	X			
	GALT	X			
	WILSON	X			
	MUNOZ	X			
	EDGMON	X			
Chair: 	MARK	X			
Chair: 	THOMPSON	X			

CS FOR HOUSE BILL NO. 188(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES SADDLER, Millett, Gara, Hughes, Muñoz

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing a program for financial accounts for individuals with disabilities;
2 exempting the procurement of contracts for the program from the State Procurement
3 Code; exempting certain information on participants in the program from being subject
4 to inspection as a public record; providing that an account under the program for an
5 individual with a disability is not a security; allowing a state to file a claim against an
6 individual's financial account under the program to recover Medicaid payments after
7 the individual's death; and providing for an effective date."

8 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

9 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
10 to read:

11 SHORT TITLE. AS 06.65, enacted by sec. 2 of this Act, may be cited as the Alaska
12 ABLE Savings Program Act.

13 * **Sec. 2.** AS 06 is amended by adding a new chapter to read:

1 **Chapter 65. Alaska Savings Program for Eligible Individuals.**

2 **Sec. 06.65.010. Program authorized.** The Alaska savings program for eligible
3 individuals is created in the department. The department shall implement and
4 administer the program under this chapter and as required by the federal authorizing
5 law.

6 **Sec. 06.65.020. General department duties.** To implement and administer the
7 program, the department shall, in addition to the other powers and duties provided to
8 the department under this chapter,

9 (1) develop, set, and approve the terms and conditions of the program,
10 consistent with this chapter and the federal authorizing law, including limiting the
11 nature and amount of contributions that may be made to a program account;

12 (2) supervise the decisions about the investment of contributions to a
13 program account;

14 (3) seek required federal, state, and other regulatory agency rulings and
15 exemptions;

16 (4) arrange for the timely filing of required regulatory notices,
17 disclosure documents, and reports;

18 (5) arrange for the program to be audited annually; and

19 (6) take other action that is not specifically identified in this section but
20 that is necessary to

21 (A) obtain and maintain the tax benefits allowed under the
22 federal authorizing law; and

23 (B) maintain favorable treatment for designated beneficiaries
24 under state and federal programs that use a means test for eligibility.

25 **Sec. 06.65.030. Modification of program.** Consistent with this chapter and
26 the federal authorizing law, the department may modify the terms and conditions of
27 the program as the department considers necessary or desirable for the effective and
28 efficient operation of the program.

29 **Sec. 06.65.040. Additional department powers.** The department may

30 (1) set fees the department considers necessary or desirable for
31 program transactions and services; and

1 (2) develop marketing plans and materials to promote the benefits of
 2 the program that are available to contributors under the program and to beneficiaries
 3 under the program.

4 **Sec. 06.65.050. Contracting authority; procurement exemption.** (a) The
 5 department may contract with a person to advise and assist in the implementation and
 6 operation of the program.

7 (b) The department may contract with a person to provide services for the
 8 program.

9 (c) The department may enter into a contract with other states to obtain or
 10 provide the services for implementing the program. The contract may include
 11 cooperative procurement by the states of a person to provide services for the program,
 12 including investment and record-keeping services.

13 (d) Notwithstanding the other provisions of this chapter, the department may
 14 enter into a contract with another state to allow the residents of

15 (1) this state to participate in a program established by another state
 16 under the federal authorizing law, instead of establishing the program in this state;

17 (2) that contracting state to participate in the program in this state.

18 (e) The procurement of contracts for the program, including procurement of
 19 services under a contract with other states, is exempt from AS 36.30.

20 **Sec. 06.65.060. Investment oversight.** The department shall

21 (1) oversee and approve the selection of investment managers and
 22 advisors for the program;

23 (2) oversee all aspects of the program's investments and investment
 24 performance and decisions regarding the investment of program assets; and

25 (3) oversee all investment disclosure documents and regulatory filings
 26 related to program investments.

27 **Sec. 06.65.070. Financial contractor obligations.** In addition to any other
 28 obligations imposed by the contract with the department, if the department enters into
 29 a contract with a person to provide program accounts, the financial contractor shall

30 (1) provide program accounts that comply with the federal authorizing
 31 law;

1 (2) take the action necessary to keep the program in compliance with
2 the requirements of this chapter and to manage the program accounts in compliance
3 with the federal authorizing law;

4 (3) keep adequate records of each program account and keep each
5 program account segregated from other program accounts;

6 (4) as requested by the department, compile the information contained
7 in statements required to be prepared under AS 06.65.210 and provide the statements
8 and the compiled material to the department;

9 (5) provide the department with access to the books and records of the
10 financial contractor to the extent needed to determine compliance with the contract,
11 this chapter, and the federal authorizing law;

12 (6) hold program accounts for the benefit of the program account
13 owner;

14 (7) be audited at least annually by a firm of certified public
15 accountants acceptable to the department and provide the results of the audits to the
16 department;

17 (8) upon request of the department, provide the department with copies
18 of all filings and reports related to the program made by the financial contractor during
19 the contract or while the financial contractor holds program accounts;

20 (9) upon request of the department, make available to the department
21 for review the results of periodic examinations of the financial contractor by a state or
22 federal banking, insurance, or securities agency, except to the extent that the report is
23 confidential under state or federal law; and

24 (10) ensure that the descriptions of the program in the media that the
25 financial contractor uses to promote the program are consistent with a marketing plan
26 developed for the program.

27 **Sec. 06.65.080. Additional audits.** In addition to the annual audit required by
28 AS 06.65.020(5), the department may require a financial contractor to have an audit
29 conducted of the financial contractor's operations and financial position when the
30 department is concerned about the financial position, the record-keeping practices, or
31 the status of the program accounts of the financial contractor.

1 **Sec. 06.65.090. Contract termination; nonrenewal.** The department may
 2 terminate or fail to renew a financial contract. If the department terminates or does not
 3 renew a contract with a financial contractor, the department shall take custody of the
 4 program accounts held by the financial contractor and transfer the program accounts to
 5 another financial contractor as soon as possible and into program accounts that are as
 6 similar as possible to the types of program accounts being transferred.

7 **Sec. 06.65.100. Eligible individuals.** To be eligible for a program account,
 8 when an individual or the individual's representative establishes the program account
 9 or makes a distribution to another program account under AS 06.65.200, the individual
 10 shall be an individual

11 (1) who is entitled to benefits based on blindness or disability under 42
 12 U.S.C. 401 - 434 or 42 U.S.C. 1381 - 1383f, and the blindness or disability occurred
 13 before the date on which the individual reached 26 years of age; or

14 (2) for whom a disability certification that satisfies the secretary and
 15 the federal authorizing law is filed with the secretary for the calendar year in which the
 16 eligible individual or the eligible individual's representative opens the program
 17 account.

18 **Sec. 06.65.110. Representative of eligible individual.** (a) A person may act as
 19 the representative of an eligible individual under this chapter if the eligible individual
 20 is a minor or lacks decision-making capacity and if the person is

21 (1) a parent, guardian, or conservator of the eligible individual; in this
 22 paragraph,

23 (A) "conservator" has the meaning given in AS 13.06.050;

24 (B) "guardian" has the meaning given in AS 13.06.050;

25 (C) "parent" includes a stepparent; or

26 (2) a trustee of the property of the eligible individual.

27 (b) The representative of an eligible individual may establish a program
 28 account for the eligible individual, and the eligible individual is the designated
 29 beneficiary of the program account. The representative shall manage the program
 30 account for the benefit of the designated beneficiary.

31 (c) In this section, "decision-making capacity" means the ability to understand

1 and appreciate the nature and consequences of a decision and the ability to reach and
2 communicate an informed decision.

3 **Sec. 06.65.120. Program account ownership.** (a) The owner of a program
4 account is the designated beneficiary of the program account.

5 (b) If a representative of an eligible individual establishes a program account
6 for an eligible individual, the representative is not an owner of the program account
7 and does not have or acquire an interest in the assets of the program account.

8 **Sec. 06.65.130. Number of program accounts.** An eligible individual may
9 not be the designated beneficiary on more than one program account.

10 **Sec. 06.65.140. Program account application.** The application for a program
11 account must be in the form established by the department and contain

12 (1) the name, address, and social security number of the program
13 account owner and, if applicable, the representative who opens the program account
14 for the eligible individual; and

15 (2) additional information that the department and the secretary
16 determine is necessary.

17 **Sec. 06.65.150. Program account establishment fee.** The financial contractor
18 may charge an eligible individual a nonrefundable fee for establishing a program
19 account. The department shall establish the amount of the fee by contract with the
20 financial contractor or by regulation.

21 **Sec. 06.65.160. Program account contributions.** (a) As provided by the
22 federal authorizing law, a person may make a contribution to a program account for
23 the designated beneficiary.

24 (b) A person may not make a contribution to open or add to a program account
25 unless the person makes the contribution by using a method of payment acceptable to
26 the department.

27 (c) Any person may make a contribution to a program account, but the amount
28 that the person may contribute is subject to the limits set by the federal authorizing law
29 or the department.

30 (d) The department or the financial contractor shall reject or withdraw from a
31 program account

1 (1) that part of a contribution that exceeds the limit established under
2 (c) of this section; or

3 (2) the total amount of a contribution, if the department or the financial
4 contractor determines that the

5 (A) value of the program account without the contribution is
6 equal to or greater than the maximum limit established by the federal
7 authorizing statute for the program account; or

8 (B) designated beneficiary is not an eligible individual during
9 the calendar year in which the contribution is made.

10 (e) If a person makes a distribution from a program account during a calendar
11 year, the financial contractor shall report the distribution to the federal Internal
12 Revenue Service and to the account owner or the representative of the account owner.

13 (f) The report under (e) of this section must include the distribution
14 information required by state and federal law.

15 **Sec. 06.65.170. Limited investment direction.** A designated beneficiary or
16 the designated beneficiary's representative may not, directly or indirectly, direct the
17 investment of a program account, including the earnings on the program account,
18 more than twice in one calendar year.

19 **Sec. 06.65.180. Change of designated beneficiary.** A designated beneficiary
20 or the designated beneficiary's representative may change the designated beneficiary
21 of a program account to an eligible individual who is a member of the family of the
22 previous designated beneficiary.

23 **Sec. 06.65.190. Distributions for qualified expenses.** Except as allowed
24 under AS 06.65.200, a designated beneficiary or the representative of the designated
25 beneficiary may not make a withdrawal or other distribution from a program account
26 unless the withdrawal or other distribution is used to pay for the qualified expenses of
27 the designated beneficiary.

28 **Sec. 06.65.200. Rollover distribution.** (a) Subject to the restrictions in the
29 federal authorizing law for rollover distributions, a designated beneficiary or the
30 designated beneficiary's representative may make a distribution of the money in a
31 program account to another program account if the designated beneficiary of the

1 program account to which the distribution is being made is

2 (1) the same eligible individual; or

3 (2) an eligible individual who is a member of the family of the
4 designated beneficiary from whom the distribution is made.

5 (b) To qualify as a distribution allowed under (a) of this section, the
6 designated beneficiary or the designated beneficiary's representative shall make the
7 distribution to the other program account before the 60th day after the designated
8 beneficiary or the designated beneficiary's representative makes the distribution from
9 the program account.

10 **Sec. 06.65.210. Statements.** (a) A financial contractor shall provide program
11 account statements to the designated beneficiary, or the designated beneficiary's
12 representative, of each program account established with the financial contractor at
13 least four times each year and at the times the department establishes.

14 (b) A financial contractor shall provide the department with the reports and
15 information that the department requests that are related to the program account
16 statements.

17 **Sec. 06.65.220. Preparation and filing.** In addition to the other reporting
18 requirements of this chapter, a financial contractor shall prepare and file the
19 statements, program account information, and other information as required by state
20 and federal law and state and federal agencies.

21 **Sec. 06.65.230. Separate accounting.** A financial contractor shall provide
22 separate accounting for each program account established with the financial
23 contractor.

24 **Sec. 06.65.240. Annual fee.** A financial contractor may impose an annual fee
25 as may be established by the department on the program account owner for the
26 maintenance of a program account.

27 **Sec. 06.65.250. Use as security.** A person may not use a program account or
28 an interest in a program account as security for a loan. If a person pledges a program
29 account or an interest in a program account as security for a loan, the pledge is void.

30 **Sec. 06.65.260. No state obligation.** (a) This chapter may not be construed to
31 create an obligation of the state, the department, or an agency or instrumentality of the

1 state to guarantee for the benefit of a designated beneficiary

2 (1) the return of the principal deposited in the program account;

3 (2) a rate of interest or other return on the principal in a program
4 account; or

5 (3) the payment of interest or other return on the principal in a program
6 account.

7 (b) Every contract, application, and other document that may be used in
8 connection with opening a program account must clearly state that the state does not
9 insure a program account or guarantee the items described in (a) of this section.

10 **Sec. 06.65.270. Confidentiality.** The department, the Department of Health
11 and Social Services, and another state agency that receives information under
12 AS 06.65.280 shall maintain the confidentiality of the information they receive or
13 exchange under this chapter about eligible individuals, designated beneficiaries, and
14 program accounts as required by state and federal law.

15 **Sec. 06.65.280. Exchange of information.** The department may exchange
16 information with the Department of Health and Social Services and other state
17 agencies to determine whether an individual is an eligible individual.

18 **Sec. 06.65.290. Treatment under means test programs.** (a) Notwithstanding
19 a contrary provision of law, a state agency may not consider a program account
20 amount in this or another state when determining the eligibility of the designated
21 beneficiary of the program account to receive state assistance or state benefits or when
22 determining the amount of state assistance or state benefits to be received by the
23 designated beneficiary of the program account.

24 (b) In this section, "program account amount" means a contribution to a
25 program account, earnings on the contribution, or a distribution for a qualified
26 expense.

27 **Sec. 06.65.300. Deposit from permanent fund dividend.** A person who is
28 eligible under AS 43.23 to receive a permanent fund dividend may make a deposit into
29 the program account of a designated beneficiary from and up to the amount of the
30 person's permanent fund dividend.

31 **Sec. 06.65.310. Program expense fund.** (a) The program expense fund is

1 established as a separate fund of the state in the general fund.

2 (b) The program expense fund consists of money appropriated to the fund to
3 pay the expenses of the program.

4 (c) The department shall pay the expenses incurred by the department to
5 implement and administer the program from the program expense fund.

6 (d) The department shall manage the fund.

7 (e) Except as provided otherwise by the appropriation for the money, the
8 money remaining in the program expense fund at the end of a fiscal year does not
9 lapse and remains available for expenditure under this section in successive fiscal
10 years.

11 **Sec. 06.65.320. Medicaid claims.** This state or another state may file a claim
12 against the amount remaining in the program account of a deceased designated
13 beneficiary to recover medical assistance payments if the payments were made for the
14 designated beneficiary, were made under that state's Medicaid program authorized by
15 42 U.S.C. 1396 - 1396p (Title XIX, Social Security Act), and were made after the
16 program account of the designated beneficiary was established. The application of this
17 section is subject to the requirements of 26 U.S.C. 529A(f) (Internal Revenue Code).

18 **Sec. 06.65.330. Governing law.** If a provision of this chapter conflicts with
19 the requirements of the federal authorizing law for the program, the federal
20 authorizing law governs to the extent of the conflict.

21 **Sec. 06.65.340. Regulations.** The department may adopt regulations under
22 AS 44.62 (Administrative Procedure Act) to implement this chapter.

23 **Sec. 06.65.350. Annual report.** The department shall evaluate the program
24 each year. The department shall submit an annual report containing the evaluation to
25 the senate secretary and chief clerk of the house of representatives on or before the
26 first day of each regular session of the legislature and shall notify the legislature that
27 the report is available.

28 **Sec. 06.65.390. Definitions.** In this chapter,

29 (1) "department" means the Department of Revenue;

30 (2) "designated beneficiary" means the eligible individual for whom a
31 program account for qualified expenses is established under this chapter;

1 (3) "eligible individual" means an individual who is eligible under
2 AS 06.65.100;

3 (4) "federal authorizing law" means 26 U.S.C. 529A (Internal Revenue
4 Code) and the regulations issued under that statute;

5 (5) "financial contractor" means a person that enters into a contract
6 with the department under this chapter to provide program accounts;

7 (6) "member of the family" has the meaning given in the federal
8 authorizing statute;

9 (7) "program" means the Alaska savings program for eligible
10 individuals established under AS 06.65.010;

11 (8) "program account" means a savings account used by the program
12 to meet the qualified disability expenses of the designated beneficiary of the account;

13 (9) "program account owner" means the designated beneficiary of a
14 program account;

15 (10) "qualified expense" means a qualified disability expense as
16 defined by the federal authorizing law;

17 (11) "representative" means a person who is a representative of an
18 eligible individual under AS 06.65.110(a);

19 (12) "savings account" means a financial account;

20 (13) "secretary" means the United States Secretary of the Treasury.

21 * **Sec. 3.** AS 36.30.850(b) is amended by adding a new paragraph to read:

22 (47) a contract under AS 06.65.

23 * **Sec. 4.** AS 40.25.120(a) is amended to read:

24 (a) Every person has a right to inspect a public record in the state, including
25 public records in recorders' offices, except

26 (1) records of vital statistics and adoption proceedings, which shall be
27 treated in the manner required by AS 18.50;

28 (2) records pertaining to juveniles unless disclosure is authorized by
29 law;

30 (3) medical and related public health records;

31 (4) records required to be kept confidential by a federal law or

1 regulation or by state law;

2 (5) to the extent the records are required to be kept confidential under
3 20 U.S.C. 1232g and the regulations adopted under 20 U.S.C. 1232g in order to secure
4 or retain federal assistance;

5 (6) records or information compiled for law enforcement purposes, but
6 only to the extent that the production of the law enforcement records or information

7 (A) could reasonably be expected to interfere with enforcement
8 proceedings;

9 (B) would deprive a person of a right to a fair trial or an
10 impartial adjudication;

11 (C) could reasonably be expected to constitute an unwarranted
12 invasion of the personal privacy of a suspect, defendant, victim, or witness;

13 (D) could reasonably be expected to disclose the identity of a
14 confidential source;

15 (E) would disclose confidential techniques and procedures for
16 law enforcement investigations or prosecutions;

17 (F) would disclose guidelines for law enforcement
18 investigations or prosecutions if the disclosure could reasonably be expected to
19 risk circumvention of the law; or

20 (G) could reasonably be expected to endanger the life or
21 physical safety of an individual;

22 (7) names, addresses, and other information identifying a person as a
23 participant in the Alaska Higher Education Savings Trust under AS 14.40.802 or the
24 advance college tuition savings program under AS 14.40.803 - 14.40.817;

25 (8) public records containing information that would disclose or might
26 lead to the disclosure of a component in the process used to execute or adopt an
27 electronic signature if the disclosure would or might cause the electronic signature to
28 cease being under the sole control of the person using it;

29 (9) reports submitted under AS 05.25.030 concerning certain
30 collisions, accidents, or other casualties involving boats;

31 (10) records or information pertaining to a plan, program, or

1 procedures for establishing, maintaining, or restoring security in the state, or to a
 2 detailed description or evaluation of systems, facilities, or infrastructure in the state,
 3 but only to the extent that the production of the records or information

4 (A) could reasonably be expected to interfere with the
 5 implementation or enforcement of the security plan, program, or procedures;

6 (B) would disclose confidential guidelines for investigations or
 7 enforcement and the disclosure could reasonably be expected to risk
 8 circumvention of the law; or

9 (C) could reasonably be expected to endanger the life or
 10 physical safety of an individual or to present a real and substantial risk to the
 11 public health and welfare;

12 (11) the written notification regarding a proposed regulation provided
 13 under AS 24.20.105 to the Department of Law and the affected state agency and
 14 communications between the Legislative Affairs Agency, the Department of Law, and
 15 the affected state agency under AS 24.20.105;

16 (12) records that are

17 (A) proprietary, privileged, or a trade secret in accordance with
 18 AS 43.90.150 or 43.90.220(e);

19 (B) applications that are received under AS 43.90 until notice is
 20 published under AS 43.90.160;

21 (13) information of the Alaska Gasline Development Corporation
 22 created under AS 31.25.010 or a subsidiary of the Alaska Gasline Development
 23 Corporation that is confidential by law or under a valid confidentiality agreement;

24 (14) information under AS 38.05.020(b)(11) that is subject to a
 25 confidentiality agreement under AS 38.05.020(b)(12);

26 **(15) names, addresses, and other information identifying a person**
 27 **as a participant in the Alaska savings program for eligible individuals under**
 28 **AS 06.65.**

29 * Sec. 5. AS 45.55.990(32) is amended to read:

30 (32) "security" means a note; stock; treasury stock; bond; debenture;
 31 evidence of indebtedness; certificate of interest or participation in any profit-sharing

1 agreement; limited liability company interest under AS 10.50, notwithstanding the
2 limitations of AS 45.08.103(c); collateral-trust certificate; preorganization certificate
3 or subscription; transferable share; investment contract; voting-trust certificate;
4 certificate of deposit for a security; viatical settlement interest; certificate of interest or
5 participation in an oil, gas, or mining title or lease or in payments out of production
6 under the title or lease or in any sale of or indenture or bond or contract for the
7 conveyance of land or any interest in land; an option on a contract for the future
8 delivery of agricultural or mineral commodities or any other commodity offered or
9 sold to the public and not regulated by the Commodity Futures Trading Commission;
10 however, the contract or option is not subject to the provisions of AS 45.55.070 if it is
11 sold or purchased on the floor of a bona fide exchange or board of trade and offered or
12 sold to the public by a broker-dealer or agent registered under this chapter; investment
13 of money or money's worth including goods furnished or services performed in the
14 risk capital of a venture with the expectation of some benefit to the investor where the
15 investor has no direct control over the investment or policy decision of the venture; or,
16 in general, any interest or instrument commonly known as a "security," or any
17 certificate of interest or participation in, temporary or interim certificate for, receipt
18 for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing;
19 "security" does not include a participation agreement entered into under AS 14.40.802,
20 **a program account established under AS 06.65**, or an insurance or endowment
21 policy or annuity contract under which an insurance company promises to pay a fixed
22 or variable sum of money either in a lump sum or periodically for life or for some
23 other specified period;

24 * **Sec. 6.** AS 47.07.055 is amended by adding a new subsection to read:

25 (h) In addition to the claims allowed under the other provisions of this section,
26 the state may file a claim under AS 06.65.320 against the amount in an individual's
27 program account after the individual dies. Notwithstanding the other provisions of this
28 section, the claim is subject to the requirements of 26 U.S.C. 529A(f) (Internal
29 Revenue Code). In this subsection, "program account" has the meaning given in
30 AS 06.65.390.

31 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 TRANSITION. The Department of Revenue shall file its first report required by
3 AS 06.65.350, added by sec. 2 of this Act, on or before the first day of the Second Regular
4 Session of the Thirtieth Alaska State Legislature.

5 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 TRANSITION: REGULATIONS. The Department of Revenue may adopt regulations
8 authorized by AS 06.65.340, added by sec. 2 of this Act. The regulations take effect under
9 AS 44.62 (Administrative Procedure Act), but not before the effective date of sec. 2 of this
10 Act.

11 * **Sec. 9.** Section 8 of this Act takes effect immediately under AS 01.10.070(c).

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: HB 188
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB188CS(LC)-DHSS-HCMS-4-6-16
Title: PERSON W/DISABILITY SAVINGS ACCOUNTS
Sponsor: SADDLER
Requester: House L&C

Department: Department of Health and Social Services
Appropriation: Medicaid Services
Allocation: Health Care Medicaid Services
OMB Component Number: 2077

Expenditures/Revenues

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

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates				
			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
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							
---------------------------	--	--	--	--	--	--	--

Estimated SUPPLEMENTAL (FY2016) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **yes**
If yes, by what date are the regulations to be adopted, amended or repealed? **12 months**

Why this fiscal note differs from previous version:

Cost assumptions revised.

Prepared By: Margaret Brodie, Director	Phone: (907)334-2520
Division: Health Care Services	Date: 04/06/2016 12:00 AM
Approved By: Sana Efrid, Asst. Commissioner, Finance and Management Services	Date: 04/06/16
Agency: Health and Social Services	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

BILL NO. CSHB188(LC)

Analysis

HB 188 establishes an Alaska Savings program for eligible disabled individuals. Program accounts may not be considered when determining eligibility for means-tested programs.

CSHB188(L&C), version N adds a new section (AS 06.65.330) that allows state Medicaid programs to file a claim against a decedent's program account to recover medical assistance costs of the individual after the account was established.

Based on the number of people who participate in the college savings plans, and the number of disabled individuals in the state, we do not consider this to be a large impact on the estate recovery unit of the Division of Health Care Services. There will not be any monitoring. It is anticipated that the contracted vendor will provide a monthly report to the Medicaid Program.

Regulation changes will be required and will be promulgated within 12 months of the legislation's effective date.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: HB 188
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB188-DOR-TRS-4-6-16
Title: PERSON W/DISABILITY SAVINGS ACCOUNTS
Sponsor: SADDLER
Requester: Labor and Commerce, Finance

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)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	60.0		40.0					
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	60.0	0.0	40.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1092 MHTAAR	60.0		40.0					
Total	60.0	0.0	40.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
---------------------------	--	--	--	--	--	--	--	--

Estimated SUPPLEMENTAL (FY2016) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

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:

Revised based on changes in House Transportation committee

Prepared By: Pamela Leary	Phone: (907)465-3751
Division: Treasury	Date: 04/06/2016 12:00 AM
Approved By: Jerry Burnett, Deputy Commissioner	Date: 04/16/16
Agency: Department of Revenue	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. CSHB188(FIN)

Analysis

Bill Analysis

This bill would authorize the Alaska savings program for eligible disabled individuals and allow the Department of Revenue to implement and administer the program. Federal legislation was passed in 2014 and revised in 2015. 35 states have approved legislation and are in the process of implementing a program. Some states are creating their own system and others are participating in a consortium to create greater cost efficiencies to pass on to state participants. Two of the states creating their own program have offered to host other states' programs for a fee.

All programs will use a vendor that would provide some or all of the following services:

-Investment Management Services including providing investment options, reporting of investment performance, and regulatory compliance.

-Record Keeping and Administrative Services including establishing eligibility for individuals, enrollment, managing cash flow contributions and distributions, providing account statements, coordination with investment management services and website access.

-Call Center/Customer Service to respond to inquiries including account openings and withdrawals and any federal or state specific questions in a manner accessible to participant needs.

The creation of ABLÉ programs is at its infancy and costs are not yet fully known. States implementing programs on their own have presented cost ranges in the \$2-\$4 million range. 1 State that has created its own program has offered its program to other states for a one-time installment fee of \$50,000 and an annual maintenance fee of \$12,000 but not all services appear to be included. The consortium of states is working on an RFP but costs have not yet been determined.

This fiscal note presumes that Alaska would utilize the program of another state or the consortium of states' vendor to provide all of the above services. The estimated cost for FY2017 and FY2018 include startup costs with a vendor and a program awareness effort. Participants that have program accounts will also pay a fee which will be based on the value of the account. It is unknown at this time what those will be but it is imagined that they will be similar to what you pay for a managed investment account and an assumption that these fees will cover ongoing program costs.

ADOPTED 4/7/16

29-LS0787G
Bannister
4/6/16

CS FOR HOUSE BILL NO. 188(FIN)

IN THE LEGISLATURE OF THE STATE OF
TWENTY-NINTH LEGISLATURE - SECOND

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES SADDLER, Millett, Gara, Hughes, Muñoz

Fiscal
Notes
R/O
CS HB 188
G

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing a program for financial accounts for individuals with disabilities;
2 exempting the procurement of contracts for the program from the State Procurement
3 Code; exempting certain information on participants in the program from being subject
4 to inspection as a public record; providing that an account under the program for an
5 individual with a disability is not a security; allowing a state to file a claim against an
6 individual's financial account under the program to recover Medicaid payments after
7 the individual's death; and providing for an effective date."

8 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

9 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
10 to read:

11 SHORT TITLE. AS 06.65, enacted by sec. 2 of this Act, may be cited as the Alaska
12 ABLE Savings Program Act.

13 * **Sec. 2.** AS 06 is amended by adding a new chapter to read:

1 **Chapter 65. Alaska Savings Program for Eligible Individuals.**

2 **Sec. 06.65.010. Program authorized.** The Alaska savings program for eligible
3 individuals is created in the department. The department shall implement and
4 administer the program under this chapter and as required by the federal authorizing
5 law.

6 **Sec. 06.65.020. General department duties.** To implement and administer the
7 program, the department shall, in addition to the other powers and duties provided to
8 the department under this chapter,

9 (1) develop, set, and approve the terms and conditions of the program,
10 consistent with this chapter and the federal authorizing law, including limiting the
11 nature and amount of contributions that may be made to a program account;

12 (2) supervise the decisions about the investment of contributions to a
13 program account;

14 (3) seek required federal, state, and other regulatory agency rulings and
15 exemptions;

16 (4) arrange for the timely filing of required regulatory notices,
17 disclosure documents, and reports;

18 (5) arrange for the program to be audited annually; and

19 (6) take other action that is not specifically identified in this section but
20 that is necessary to

21 (A) obtain and maintain the tax benefits allowed under the
22 federal authorizing law; and

23 (B) maintain favorable treatment for designated beneficiaries
24 under state and federal programs that use a means test for eligibility.

25 **Sec. 06.65.030. Modification of program.** Consistent with this chapter and
26 the federal authorizing law, the department may modify the terms and conditions of
27 the program as the department considers necessary or desirable for the effective and
28 efficient operation of the program.

29 **Sec. 06.65.040. Additional department powers.** The department may

30 (1) set fees the department considers necessary or desirable for
31 program transactions and services; and

1 (2) develop marketing plans and materials to promote the benefits of
2 the program that are available to contributors under the program and to beneficiaries
3 under the program.

4 **Sec. 06.65.050. Contracting authority; procurement exemption.** (a) The
5 department may contract with a person to advise and assist in the implementation and
6 operation of the program.

7 (b) The department may contract with a person to provide services for the
8 program.

9 (c) The department may enter into a contract with other states to obtain or
10 provide the services for implementing the program. The contract may include
11 cooperative procurement by the states of a person to provide services for the program,
12 including investment and record-keeping services.

13 (d) Notwithstanding the other provisions of this chapter, the department may
14 enter into a contract with another state to allow the residents of

15 (1) this state to participate in a program established by another state
16 under the federal authorizing law, instead of establishing the program in this state;

17 (2) that contracting state to participate in the program in this state.

18 (e) The procurement of contracts for the program, including procurement of
19 services under a contract with other states, is exempt from AS 36.30.

20 **Sec. 06.65.060. Investment oversight.** The department shall

21 (1) oversee and approve the selection of investment managers and
22 advisors for the program;

23 (2) oversee all aspects of the program's investments and investment
24 performance and decisions regarding the investment of program assets; and

25 (3) oversee all investment disclosure documents and regulatory filings
26 related to program investments.

27 **Sec. 06.65.070. Financial contractor obligations.** In addition to any other
28 obligations imposed by the contract with the department, if the department enters into
29 a contract with a person to provide program accounts, the financial contractor shall

30 (1) provide program accounts that comply with the federal authorizing
31 law;

1 (2) take the action necessary to keep the program in compliance with
2 the requirements of this chapter and to manage the program accounts in compliance
3 with the federal authorizing law;

4 (3) keep adequate records of each program account and keep each
5 program account segregated from other program accounts;

6 (4) as requested by the department, compile the information contained
7 in statements required to be prepared under AS 06.65.210 and provide the statements
8 and the compiled material to the department;

9 (5) provide the department with access to the books and records of the
10 financial contractor to the extent needed to determine compliance with the contract,
11 this chapter, and the federal authorizing law;

12 (6) hold program accounts for the benefit of the program account
13 owner;

14 (7) be audited at least annually by a firm of certified public
15 accountants acceptable to the department and provide the results of the audits to the
16 department;

17 (8) upon request of the department, provide the department with copies
18 of all filings and reports related to the program made by the financial contractor during
19 the contract or while the financial contractor holds program accounts;

20 (9) upon request of the department, make available to the department
21 for review the results of periodic examinations of the financial contractor by a state or
22 federal banking, insurance, or securities agency, except to the extent that the report is
23 confidential under state or federal law; and

24 (10) ensure that the descriptions of the program in the media that the
25 financial contractor uses to promote the program are consistent with a marketing plan
26 developed for the program.

27 **Sec. 06.65.080. Additional audits.** In addition to the annual audit required by
28 AS 06.65.020(5), the department may require a financial contractor to have an audit
29 conducted of the financial contractor's operations and financial position when the
30 department is concerned about the financial position, the record-keeping practices, or
31 the status of the program accounts of the financial contractor.

1 **Sec. 06.65.090. Contract termination; nonrenewal.** The department may
2 terminate or fail to renew a financial contract. If the department terminates or does not
3 renew a contract with a financial contractor, the department shall take custody of the
4 program accounts held by the financial contractor and transfer the program accounts to
5 another financial contractor as soon as possible and into program accounts that are as
6 similar as possible to the types of program accounts being transferred.

7 **Sec. 06.65.100. Eligible individuals.** To be eligible for a program account,
8 when an individual or the individual's representative establishes the program account
9 or makes a distribution to another program account under AS 06.65.200, the individual
10 shall be an individual

11 (1) who is entitled to benefits based on blindness or disability under 42
12 U.S.C. 401 - 434 or 42 U.S.C. 1381 - 1383f, and the blindness or disability occurred
13 before the date on which the individual reached 26 years of age; or

14 (2) for whom a disability certification that satisfies the secretary and
15 the federal authorizing law is filed with the secretary for the calendar year in which the
16 eligible individual or the eligible individual's representative opens the program
17 account.

18 **Sec. 06.65.110. Representative of eligible individual.** (a) A person may act as
19 the representative of an eligible individual under this chapter if the eligible individual
20 is a minor or lacks decision-making capacity and if the person is

21 (1) a parent, guardian, or conservator of the eligible individual; in this
22 paragraph,

23 (A) "conservator" has the meaning given in AS 13.06.050;

24 (B) "guardian" has the meaning given in AS 13.06.050;

25 (C) "parent" includes a stepparent; or

26 (2) a trustee of the property of the eligible individual.

27 (b) The representative of an eligible individual may establish a program
28 account for the eligible individual, and the eligible individual is the designated
29 beneficiary of the program account. The representative shall manage the program
30 account for the benefit of the designated beneficiary.

31 (c) In this section, "decision-making capacity" means the ability to understand

1 and appreciate the nature and consequences of a decision and the ability to reach and
2 communicate an informed decision.

3 **Sec. 06.65.120. Program account ownership.** (a) The owner of a program
4 account is the designated beneficiary of the program account.

5 (b) If a representative of an eligible individual establishes a program account
6 for an eligible individual, the representative is not an owner of the program account
7 and does not have or acquire an interest in the assets of the program account.

8 **Sec. 06.65.130. Number of program accounts.** An eligible individual may
9 not be the designated beneficiary on more than one program account.

10 **Sec. 06.65.140. Program account application.** The application for a program
11 account must be in the form established by the department and contain

12 (1) the name, address, and social security number of the program
13 account owner and, if applicable, the representative who opens the program account
14 for the eligible individual; and

15 (2) additional information that the department and the secretary
16 determine is necessary.

17 **Sec. 06.65.150. Program account establishment fee.** The financial contractor
18 may charge an eligible individual a nonrefundable fee for establishing a program
19 account. The department shall establish the amount of the fee by contract with the
20 financial contractor or by regulation.

21 **Sec. 06.65.160. Program account contributions.** (a) As provided by the
22 federal authorizing law, a person may make a contribution to a program account for
23 the designated beneficiary.

24 (b) A person may not make a contribution to open or add to a program account
25 unless the person makes the contribution by using a method of payment acceptable to
26 the department.

27 (c) Any person may make a contribution to a program account, but the amount
28 that the person may contribute is subject to the limits set by the federal authorizing law
29 or the department.

30 (d) The department or the financial contractor shall reject or withdraw from a
31 program account

1 (1) that part of a contribution that exceeds the limit established under
2 (c) of this section; or

3 (2) the total amount of a contribution, if the department or the financial
4 contractor determines that the

5 (A) value of the program account without the contribution is
6 equal to or greater than the maximum limit established by the federal
7 authorizing statute for the program account; or

8 (B) designated beneficiary is not an eligible individual during
9 the calendar year in which the contribution is made.

10 (e) If a person makes a distribution from a program account during a calendar
11 year, the financial contractor shall report the distribution to the federal Internal
12 Revenue Service and to the account owner or the representative of the account owner.

13 (f) The report under (e) of this section must include the distribution
14 information required by state and federal law.

15 **Sec. 06.65.170. Limited investment direction.** A designated beneficiary or
16 the designated beneficiary's representative may not, directly or indirectly, direct the
17 investment of a program account, including the earnings on the program account,
18 more than twice in one calendar year.

19 **Sec. 06.65.180. Change of designated beneficiary.** A designated beneficiary
20 or the designated beneficiary's representative may change the designated beneficiary
21 of a program account to an eligible individual who is a member of the family of the
22 previous designated beneficiary.

23 **Sec. 06.65.190. Distributions for qualified expenses.** Except as allowed
24 under AS 06.65.200, a designated beneficiary or the representative of the designated
25 beneficiary may not make a withdrawal or other distribution from a program account
26 unless the withdrawal or other distribution is used to pay for the qualified expenses of
27 the designated beneficiary.

28 **Sec. 06.65.200. Rollover distribution.** (a) Subject to the restrictions in the
29 federal authorizing law for rollover distributions, a designated beneficiary or the
30 designated beneficiary's representative may make a distribution of the money in a
31 program account to another program account if the designated beneficiary of the

1 program account to which the distribution is being made is

2 (1) the same eligible individual; or

3 (2) an eligible individual who is a member of the family of the
4 designated beneficiary from whom the distribution is made.

5 (b) To qualify as a distribution allowed under (a) of this section, the
6 designated beneficiary or the designated beneficiary's representative shall make the
7 distribution to the other program account before the 60th day after the designated
8 beneficiary or the designated beneficiary's representative makes the distribution from
9 the program account.

10 **Sec. 06.65.210. Statements.** (a) A financial contractor shall provide program
11 account statements to the designated beneficiary, or the designated beneficiary's
12 representative, of each program account established with the financial contractor at
13 least four times each year and at the times the department establishes.

14 (b) A financial contractor shall provide the department with the reports and
15 information that the department requests that are related to the program account
16 statements.

17 **Sec. 06.65.220. Preparation and filing.** In addition to the other reporting
18 requirements of this chapter, a financial contractor shall prepare and file the
19 statements, program account information, and other information as required by state
20 and federal law and state and federal agencies.

21 **Sec. 06.65.230. Separate accounting.** A financial contractor shall provide
22 separate accounting for each program account established with the financial
23 contractor.

24 **Sec. 06.65.240. Annual fee.** A financial contractor may impose an annual fee
25 as may be established by the department on the program account owner for the
26 maintenance of a program account.

27 **Sec. 06.65.250. Use as security.** A person may not use a program account or
28 an interest in a program account as security for a loan. If a person pledges a program
29 account or an interest in a program account as security for a loan, the pledge is void.

30 **Sec. 06.65.260. No state obligation.** (a) This chapter may not be construed to
31 create an obligation of the state, the department, or an agency or instrumentality of the

1 state to guarantee for the benefit of a designated beneficiary

2 (1) the return of the principal deposited in the program account;

3 (2) a rate of interest or other return on the principal in a program
4 account; or

5 (3) the payment of interest or other return on the principal in a program
6 account.

7 (b) Every contract, application, and other document that may be used in
8 connection with opening a program account must clearly state that the state does not
9 insure a program account or guarantee the items described in (a) of this section.

10 **Sec. 06.65.270. Confidentiality.** The department, the Department of Health
11 and Social Services, and another state agency that receives information under
12 AS 06.65.280 shall maintain the confidentiality of the information they receive or
13 exchange under this chapter about eligible individuals, designated beneficiaries, and
14 program accounts as required by state and federal law.

15 **Sec. 06.65.280. Exchange of information.** The department may exchange
16 information with the Department of Health and Social Services and other state
17 agencies to determine whether an individual is an eligible individual.

18 **Sec. 06.65.290. Treatment under means test programs.** (a) Notwithstanding
19 a contrary provision of law, a state agency may not consider a program account
20 amount in this or another state when determining the eligibility of the designated
21 beneficiary of the program account to receive state assistance or state benefits or when
22 determining the amount of state assistance or state benefits to be received by the
23 designated beneficiary of the program account.

24 (b) In this section, "program account amount" means a contribution to a
25 program account, earnings on the contribution, or a distribution for a qualified
26 expense.

27 **Sec. 06.65.300. Deposit from permanent fund dividend.** A person who is
28 eligible under AS 43.23 to receive a permanent fund dividend may make a deposit into
29 the program account of a designated beneficiary from and up to the amount of the
30 person's permanent fund dividend.

31 **Sec. 06.65.310. Program expense fund.** (a) The program expense fund is

1 established as a separate fund of the state in the general fund.

2 (b) The program expense fund consists of money appropriated to the fund to
3 pay the expenses of the program.

4 (c) The department shall pay the expenses incurred by the department to
5 implement and administer the program from the program expense fund.

6 (d) The department shall manage the fund.

7 (e) Except as provided otherwise by the appropriation for the money, the
8 money remaining in the program expense fund at the end of a fiscal year does not
9 lapse and remains available for expenditure under this section in successive fiscal
10 years.

11 **Sec. 06.65.320. Medicaid claims.** This state or another state may file a claim
12 against the amount remaining in the program account of a deceased designated
13 beneficiary to recover medical assistance payments if the payments were made for the
14 designated beneficiary, were made under that state's Medicaid program authorized by
15 42 U.S.C. 1396 - 1396p (Title XIX, Social Security Act), and were made after the
16 program account of the designated beneficiary was established. The application of this
17 section is subject to the requirements of 26 U.S.C. 529A(f) (Internal Revenue Code).

18 **Sec. 06.65.330. Governing law.** If a provision of this chapter conflicts with
19 the requirements of the federal authorizing law for the program, the federal
20 authorizing law governs to the extent of the conflict.

21 **Sec. 06.65.340. Regulations.** The department may adopt regulations under
22 AS 44.62 (Administrative Procedure Act) to implement this chapter.

23 **Sec. 06.65.350. Annual report.** The department shall evaluate the program
24 each year. The department shall submit an annual report containing the evaluation to
25 the senate secretary and chief clerk of the house of representatives on or before the
26 first day of each regular session of the legislature and shall notify the legislature that
27 the report is available.

28 **Sec. 06.65.390. Definitions.** In this chapter,

29 (1) "department" means the Department of Revenue;

30 (2) "designated beneficiary" means the eligible individual for whom a
31 program account for qualified expenses is established under this chapter;

1 (3) "eligible individual" means an individual who is eligible under
2 AS 06.65.100;

3 (4) "federal authorizing law" means 26 U.S.C. 529A (Internal Revenue
4 Code) and the regulations issued under that statute;

5 (5) "financial contractor" means a person that enters into a contract
6 with the department under this chapter to provide program accounts;

7 (6) "member of the family" has the meaning given in the federal
8 authorizing statute;

9 (7) "program" means the Alaska savings program for eligible
10 individuals established under AS 06.65.010;

11 (8) "program account" means a savings account used by the program
12 to meet the qualified disability expenses of the designated beneficiary of the account;

13 (9) "program account owner" means the designated beneficiary of a
14 program account;

15 (10) "qualified expense" means a qualified disability expense as
16 defined by the federal authorizing law;

17 (11) "representative" means a person who is a representative of an
18 eligible individual under AS 06.65.110(a);

19 (12) "savings account" means a financial account;

20 (13) "secretary" means the United States Secretary of the Treasury.

21 * **Sec. 3.** AS 36.30.850(b) is amended by adding a new paragraph to read:

22 (47) a contract under AS 06.65.

23 * **Sec. 4.** AS 40.25.120(a) is amended to read:

24 (a) Every person has a right to inspect a public record in the state, including
25 public records in recorders' offices, except

26 (1) records of vital statistics and adoption proceedings, which shall be
27 treated in the manner required by AS 18.50;

28 (2) records pertaining to juveniles unless disclosure is authorized by
29 law;

30 (3) medical and related public health records;

31 (4) records required to be kept confidential by a federal law or

1 regulation or by state law;

2 (5) to the extent the records are required to be kept confidential under
3 20 U.S.C. 1232g and the regulations adopted under 20 U.S.C. 1232g in order to secure
4 or retain federal assistance;

5 (6) records or information compiled for law enforcement purposes, but
6 only to the extent that the production of the law enforcement records or information

7 (A) could reasonably be expected to interfere with enforcement
8 proceedings;

9 (B) would deprive a person of a right to a fair trial or an
10 impartial adjudication;

11 (C) could reasonably be expected to constitute an unwarranted
12 invasion of the personal privacy of a suspect, defendant, victim, or witness;

13 (D) could reasonably be expected to disclose the identity of a
14 confidential source;

15 (E) would disclose confidential techniques and procedures for
16 law enforcement investigations or prosecutions;

17 (F) would disclose guidelines for law enforcement
18 investigations or prosecutions if the disclosure could reasonably be expected to
19 risk circumvention of the law; or

20 (G) could reasonably be expected to endanger the life or
21 physical safety of an individual;

22 (7) names, addresses, and other information identifying a person as a
23 participant in the Alaska Higher Education Savings Trust under AS 14.40.802 or the
24 advance college tuition savings program under AS 14.40.803 - 14.40.817;

25 (8) public records containing information that would disclose or might
26 lead to the disclosure of a component in the process used to execute or adopt an
27 electronic signature if the disclosure would or might cause the electronic signature to
28 cease being under the sole control of the person using it;

29 (9) reports submitted under AS 05.25.030 concerning certain
30 collisions, accidents, or other casualties involving boats;

31 (10) records or information pertaining to a plan, program, or

1 procedures for establishing, maintaining, or restoring security in the state, or to a
2 detailed description or evaluation of systems, facilities, or infrastructure in the state,
3 but only to the extent that the production of the records or information

4 (A) could reasonably be expected to interfere with the
5 implementation or enforcement of the security plan, program, or procedures;

6 (B) would disclose confidential guidelines for investigations or
7 enforcement and the disclosure could reasonably be expected to risk
8 circumvention of the law; or

9 (C) could reasonably be expected to endanger the life or
10 physical safety of an individual or to present a real and substantial risk to the
11 public health and welfare;

12 (11) the written notification regarding a proposed regulation provided
13 under AS 24.20.105 to the Department of Law and the affected state agency and
14 communications between the Legislative Affairs Agency, the Department of Law, and
15 the affected state agency under AS 24.20.105;

16 (12) records that are

17 (A) proprietary, privileged, or a trade secret in accordance with
18 AS 43.90.150 or 43.90.220(e);

19 (B) applications that are received under AS 43.90 until notice is
20 published under AS 43.90.160;

21 (13) information of the Alaska Gasline Development Corporation
22 created under AS 31.25.010 or a subsidiary of the Alaska Gasline Development
23 Corporation that is confidential by law or under a valid confidentiality agreement;

24 (14) information under AS 38.05.020(b)(11) that is subject to a
25 confidentiality agreement under AS 38.05.020(b)(12);

26 **(15) names, addresses, and other information identifying a person**
27 **as a participant in the Alaska savings program for eligible individuals under**
28 **AS 06.65.**

29 * Sec. 5. AS 45.55.990(32) is amended to read:

30 (32) "security" means a note; stock; treasury stock; bond; debenture;
31 evidence of indebtedness; certificate of interest or participation in any profit-sharing

1 agreement; limited liability company interest under AS 10.50, notwithstanding the
2 limitations of AS 45.08.103(c); collateral-trust certificate; preorganization certificate
3 or subscription; transferable share; investment contract; voting-trust certificate;
4 certificate of deposit for a security; viatical settlement interest; certificate of interest or
5 participation in an oil, gas, or mining title or lease or in payments out of production
6 under the title or lease or in any sale of or indenture or bond or contract for the
7 conveyance of land or any interest in land; an option on a contract for the future
8 delivery of agricultural or mineral commodities or any other commodity offered or
9 sold to the public and not regulated by the Commodity Futures Trading Commission;
10 however, the contract or option is not subject to the provisions of AS 45.55.070 if it is
11 sold or purchased on the floor of a bona fide exchange or board of trade and offered or
12 sold to the public by a broker-dealer or agent registered under this chapter; investment
13 of money or money's worth including goods furnished or services performed in the
14 risk capital of a venture with the expectation of some benefit to the investor where the
15 investor has no direct control over the investment or policy decision of the venture; or,
16 in general, any interest or instrument commonly known as a "security," or any
17 certificate of interest or participation in, temporary or interim certificate for, receipt
18 for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing;
19 "security" does not include a participation agreement entered into under AS 14.40.802,
20 **a program account established under AS 06.65**, or an insurance or endowment
21 policy or annuity contract under which an insurance company promises to pay a fixed
22 or variable sum of money either in a lump sum or periodically for life or for some
23 other specified period;

24 * **Sec. 6.** AS 47.07.055 is amended by adding a new subsection to read:

25 (h) In addition to the claims allowed under the other provisions of this section,
26 the state may file a claim under AS 06.65.320 against the amount in an individual's
27 program account after the individual dies. Notwithstanding the other provisions of this
28 section, the claim is subject to the requirements of 26 U.S.C. 529A(f) (Internal
29 Revenue Code). In this subsection, "program account" has the meaning given in
30 AS 06.65.390.

31 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 TRANSITION. The Department of Revenue shall file its first report required by
3 AS 06.65.350, added by sec. 2 of this Act, on or before the first day of the Second Regular
4 Session of the Thirtieth Alaska State Legislature.

5 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 TRANSITION: REGULATIONS. The Department of Revenue may adopt regulations
8 authorized by AS 06.65.340, added by sec. 2 of this Act. The regulations take effect under
9 AS 44.62 (Administrative Procedure Act), but not before the effective date of sec. 2 of this
10 Act.

11 * **Sec. 9.** Section 8 of this Act takes effect immediately under AS 01.10.070(c).

ADOPTED 4/6/2016

29-LS0787I
Bannister
3/29/16

CS FOR HOUSE BILL NO. 188(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES SADDLER, Millett, Gara, Hughes, Muñoz

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing a program for financial accounts for individuals with disabilities;**
2 **creating a limited property exemption for money in or paid from a financial account in**
3 **the program for an individual with a disability; exempting the procurement of contracts**
4 **for the program from the State Procurement Code; exempting certain information on**
5 **participants in the program from being subject to inspection as a public record;**
6 **providing that an account under the program for an individual with a disability is not a**
7 **security; allowing a state to file a claim against an individual's financial account under**
8 **the program to recover Medicaid payments after the individual's death; and providing**
9 **for an effective date."**

10 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

11 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
12 to read:

1 SHORT TITLE. AS 06.65, enacted by sec. 2 of this Act, may be cited as the Alaska
2 ABLE Savings Program Act.

3 * **Sec. 2.** AS 06 is amended by adding a new chapter to read:

4 **Chapter 65. Alaska Savings Program for Eligible Individuals.**

5 **Sec. 06.65.010. Program authorized.** The Alaska savings program for eligible
6 individuals is created in the department. The department shall implement and
7 administer the program under this chapter and as required by the federal authorizing
8 law.

9 **Sec. 06.65.020. General department duties.** To implement and administer the
10 program, the department shall, in addition to the other powers and duties provided to
11 the department under this chapter,

12 (1) develop, set, and approve the terms and conditions of the program,
13 consistent with this chapter and the federal authorizing law, including limiting the
14 nature and amount of contributions that may be made to a program account;

15 (2) supervise the decisions about the investment of contributions to a
16 program account;

17 (3) seek required federal, state, and other regulatory agency rulings and
18 exemptions;

19 (4) arrange for the timely filing of required regulatory notices,
20 disclosure documents, and reports;

21 (5) arrange for the program to be audited annually; and

22 (6) take other action that is not specifically identified in this section but
23 that is necessary to

24 (A) obtain and maintain the tax benefits allowed under the
25 federal authorizing law; and

26 (B) maintain favorable treatment for designated beneficiaries
27 under state and federal programs that use a means test for eligibility.

28 **Sec. 06.65.030. Modification of program.** Consistent with this chapter and
29 the federal authorizing law, the department may modify the terms and conditions of
30 the program as the department considers necessary or desirable for the effective and
31 efficient operation of the program.

1 **Sec. 06.65.040. Additional department powers.** The department may

2 (1) set fees the department considers necessary or desirable for
3 program transactions and services; and

4 (2) develop marketing plans and materials to promote the benefits of
5 the program that are available to contributors under the program and to beneficiaries
6 under the program.

7 **Sec. 06.65.050. Contracting authority; procurement exemption.** (a) The
8 department may contract with a person to advise and assist in the implementation and
9 operation of the program.

10 (b) The department may contract with a person to provide services for the
11 program.

12 (c) The department may enter into a contract with other states to obtain or
13 provide the services for implementing the program. The contract may include
14 cooperative procurement by the states of a person to provide services for the program,
15 including investment and record-keeping services.

16 (d) Notwithstanding the other provisions of this chapter, the department may
17 enter into a contract with another state to allow the residents of

18 (1) this state to participate in a program established by another state
19 under the federal authorizing law, instead of establishing the program in this state;

20 (2) that contracting state to participate in the program in this state.

21 (e) The procurement of contracts for the program, including procurement of
22 services under a contract with other states, is exempt from AS 36.30.

23 **Sec. 06.65.060. Investment oversight.** The department shall

24 (1) oversee and approve the selection of investment managers and
25 advisors for the program;

26 (2) oversee all aspects of the program's investments and investment
27 performance and decisions regarding the investment of program assets; and

28 (3) oversee all investment disclosure documents and regulatory filings
29 related to program investments.

30 **Sec. 06.65.070. Financial contractor obligations.** In addition to any other
31 obligations imposed by the contract with the department, if the department enters into

1 a contract with a person to provide program accounts, the financial contractor shall

2 (1) provide program accounts that comply with the federal authorizing
3 law;

4 (2) take the action necessary to keep the program in compliance with
5 the requirements of this chapter and to manage the program accounts in compliance
6 with the federal authorizing law;

7 (3) keep adequate records of each program account and keep each
8 program account segregated from other program accounts;

9 (4) as requested by the department, compile the information contained
10 in statements required to be prepared under AS 06.65.210 and provide the statements
11 and the compiled material to the department;

12 (5) provide the department with access to the books and records of the
13 financial contractor to the extent needed to determine compliance with the contract,
14 this chapter, and the federal authorizing law;

15 (6) hold program accounts for the benefit of the program account
16 owner;

17 (7) be audited at least annually by a firm of certified public
18 accountants acceptable to the department and provide the results of the audits to the
19 department;

20 (8) upon request of the department, provide the department with copies
21 of all filings and reports related to the program made by the financial contractor during
22 the contract or while the financial contractor holds program accounts;

23 (9) upon request of the department, make available to the department
24 for review the results of periodic examinations of the financial contractor by a state or
25 federal banking, insurance, or securities agency, except to the extent that the report is
26 confidential under state or federal law; and

27 (10) ensure that the descriptions of the program in the media that the
28 financial contractor uses to promote the program are consistent with a marketing plan
29 developed for the program.

30 **Sec. 06.65.080. Additional audits.** In addition to the annual audit required by
31 AS 06.65.020(5), the department may require a financial contractor to have an audit

1 conducted of the financial contractor's operations and financial position when the
2 department is concerned about the financial position, the record-keeping practices, or
3 the status of the program accounts of the financial contractor.

4 **Sec. 06.65.090. Contract termination; nonrenewal.** The department may
5 terminate or fail to renew a financial contract. If the department terminates or does not
6 renew a contract with a financial contractor, the department shall take custody of the
7 program accounts held by the financial contractor and transfer the program accounts to
8 another financial contractor as soon as possible and into program accounts that are as
9 similar as possible to the types of program accounts being transferred.

10 **Sec. 06.65.100. Eligible individuals.** To be eligible for a program account,
11 when an individual or the individual's representative establishes the program account
12 or makes a distribution to another program account under AS 06.65.200, the individual
13 shall be an individual

14 (1) who is entitled to benefits based on blindness or disability under 42
15 U.S.C. 401 - 434 or 42 U.S.C. 1381 - 1383f, and the blindness or disability occurred
16 before the date on which the individual reached 26 years of age; or

17 (2) for whom a disability certification that satisfies the secretary and
18 the federal authorizing law is filed with the secretary for the calendar year in which the
19 eligible individual or the eligible individual's representative opens the program
20 account.

21 **Sec. 06.65.110. Representative of eligible individual.** (a) A person may act as
22 the representative of an eligible individual under this chapter if the eligible individual
23 is a minor or lacks decision-making capacity and if the person is

24 (1) a parent, guardian, or conservator of the eligible individual; in this
25 paragraph,

26 (A) "conservator" has the meaning given in AS 13.06.050;

27 (B) "guardian" has the meaning given in AS 13.06.050;

28 (C) "parent" includes a stepparent; or

29 (2) a trustee of the property of the eligible individual.

30 (b) The representative of an eligible individual may establish a program
31 account for the eligible individual, and the eligible individual is the designated

1 beneficiary of the program account. The representative shall manage the program
2 account for the benefit of the designated beneficiary.

3 (c) In this section, "decision-making capacity" means the ability to understand
4 and appreciate the nature and consequences of a decision and the ability to reach and
5 communicate an informed decision.

6 **Sec. 06.65.120. Program account ownership.** (a) The owner of a program
7 account is the designated beneficiary of the program account.

8 (b) If a representative of an eligible individual establishes a program account
9 for an eligible individual, the representative is not an owner of the program account
10 and does not have or acquire an interest in the assets of the program account.

11 **Sec. 06.65.130. Number of program accounts.** An eligible individual may
12 not be the designated beneficiary on more than one program account.

13 **Sec. 06.65.140. Program account application.** The application for a program
14 account must be in the form established by the department and contain

15 (1) the name, address, and social security number of the program
16 account owner and, if applicable, the representative who opens the program account
17 for the eligible individual; and

18 (2) additional information that the department and the secretary
19 determine is necessary.

20 **Sec. 06.65.150. Program account establishment fee.** The financial contractor
21 may charge an eligible individual a nonrefundable fee for establishing a program
22 account. The department shall establish the amount of the fee by contract with the
23 financial contractor or by regulation.

24 **Sec. 06.65.160. Program account contributions.** (a) As provided by the
25 federal authorizing law, a person may make a contribution to a program account for
26 the designated beneficiary.

27 (b) A person may not make a contribution to open or add to a program account
28 unless the person makes the contribution by using a method of payment acceptable to
29 the department.

30 (c) Any person may make a contribution to a program account, but the amount
31 that the person may contribute is subject to the limits set by the federal authorizing law

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: HB 188
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB188-DOR-TRS-4-6-16
Title: PERSON W/DISABILITY SAVINGS ACCOUNTS
Sponsor: SADDLER
Requester: Labor and Commerce, Finance

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)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates				
			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services							
Travel							
Services			60.0	40.0			
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	60.0	40.0	0.0	0.0	0.0

Fund Source (Operating Only)

1092 MHTAAR			60.0	40.0			
Total	0.0	0.0	60.0	40.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
---------------------------	--	--	--	--	--	--	--

Estimated SUPPLEMENTAL (FY2016) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Prepared By: <u>Pamela Leary</u>	Phone: <u>(907)465-3751</u>
Division: <u>Treasury</u>	Date: <u>04/06/2016 12:00 AM</u>
Approved By: <u>Jerry Burnett, Deputy Commissioner</u>	Date: <u>04/06/16</u>
Agency: <u>Revenue</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

BILL NO. CSHB188(FIN)

Analysis

This bill would authorize the Alaska savings program for eligible disabled individuals and allow the Department of Revenue to implement and administer the program. Federal legislation was passed in 2014 and revised in 2015. 35 states have approved legislation and are in the process of implementing a program. Some states are creating their own system and others are participating in a consortium to create greater cost efficiencies to pass on to state participants. Two of the states creating their own program have offered to host other states' programs for a fee.

All programs will use a vendor that would provide some or all of the following services:

- Investment Management Services including providing investment options, reporting of investment performance, and regulatory compliance.
- Record Keeping and Administrative Services including establishing eligibility for individuals, enrollment, managing cash flow contributions and distributions, providing account statements, coordination with investment management services and website access.
- Call Center/Customer Service to respond to inquiries including account openings and withdrawals and any federal or state specific questions in a manner accessible to participant needs.

The creation of ABLE programs is at its infancy and costs are not yet fully known. States implementing programs on their own have presented cost ranges in the \$2-\$4 million range. 1 State that has created its own program has offered its program to other states for a one-time installment fee of \$50,000 and an annual maintenance fee of \$12,000 but not all services appear to be included. The consortium of states is working on an RFP but costs have not yet been determined. This fiscal note presumes that Alaska would utilize the program of another state or the consortium of states' vendor to provide all of the above services. The estimated cost for FY2017 and FY2018 include startup costs with a vendor and a program awareness effort. Participants that have program accounts will also pay a fee which will be based on the value of the account. It is unknown at this time what those will be but it is imagined that they will be similar to what you pay for a managed investment account and an assumption that these fees will cover ongoing program costs.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: HB 188
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB188-DOR-TRS-3-16-16
Title: PERSON W/DISABILITY SAVINGS ACCOUNTS
Sponsor: SADDLER
Requester: Labor and Commerce, Finance

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)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services			60,000.0	40,000.0				
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	60,000.0	40,000.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1092 MHTAAR			60,000.0	40,000.0			
Total	0.0	0.0	60,000.0	40,000.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

--	--	--	--	--	--	--	--

Estimated SUPPLEMENTAL (FY2016) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Prepared By: <u>Pamela Leary</u>	Phone: <u>(907)465-3751</u>
Division: <u>Treasury</u>	Date: <u>03/17/2016 12:00 AM</u>
Approved By: <u>Jerry Burnett</u>	Date: <u>03/01/16</u>
Agency: <u>Revenue</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

BILL NO. CSHB 188

Analysis

This bill would authorize the Alaska savings program for eligible disabled individuals and allow the Department of Revenue to implement and administer the program. Federal legislation was passed in 2014 and revised in 2015. 35 states have approved legislation and are in the process of implementing a program. Some states are creating their own system and others are participating in a consortium to create greater cost efficiencies to pass on to state participants. Two of the states creating their own program have offered to host other states' programs for a fee.

All programs will use a vendor that would provide some or all of the following services:

- Investment Management Services including providing investment options, reporting of investment performance, and regulatory compliance.
- Record Keeping and Administrative Services including establishing eligibility for individuals, enrollment, managing cash flow contributions and distributions, providing account statements, coordination with investment management services and website access.
- Call Center/Customer Service to respond to inquiries including account openings and withdrawals and any federal or state specific questions in a manner accessible to participant needs.

The creation of ABL programs is at its infancy and costs are not yet fully known. States implementing programs on their own have presented cost ranges in the \$2-\$4 million range. 1 State that has created its own program has offered its program to other states for a one-time installment fee of \$50,000 and an annual maintenance fee of \$12,000 but not all services appear to be included. The consortium of states is working on an RFP but costs have not yet been determined. This fiscal note presumes that Alaska would utilize the program of another state or the consortium of states' vendor to provide all of the above services. The estimated cost for FY2017 and FY2018 include startup costs with a vendor and a program awareness effort. Participants that have program accounts will also pay a fee which will be based on the value of the account. It is unknown at this time what those will be but it is imagined that they will be similar to what you pay for a managed investment account and an assumption that these fees will cover ongoing program costs.

ALASKA STATE LEGISLATURE

Session:
State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-3783
Fax: (907) 465-2293
Toll Free: (877) 460-3783



Interim:
12641 Old Glenn Hwy., Ste. 201
Eagle River, AK 99577
Phone: (907) 622-3783
Fax: (907) 694-1015
Toll Free: (877) 460-3783

REPRESENTATIVE DAN SADDLER

SPONSOR STATEMENT

House Bill 188

"An Act relating to financial accounts for persons with disabilities; relating to financial institutions; relating to property exemptions; relating to securities; and providing for an effective date."

HB 188 seeks to help Alaskans cope with the challenges of living with a disability by allowing individuals and families to set up tax-free savings accounts, called "ABLE accounts," to pay for education, housing, transportation or other disability-related expenses.

The U.S. Congress passed the "Achieving a Better Life Experience (ABLE) Act" in 2014, authorizing states to create special savings accounts for disability-related expenses modeled after the successful "529 college savings programs," named after the relevant section of IRS code.

ABLE accounts, also known as "529A" accounts, allow individuals with disabilities to improve their financial security by using private investments to supplement their benefits from insurance, employment, Supplemental Security Income (SSI), Medicaid, and other sources. Assets held in an ABLE account would not be counted under means tests required for Medicaid or SSI, although SSI cash benefits would be suspended if the ABLE balance exceeded \$100,000.

ABLE accounts could be spent for education, transportation, job training and support, assistive technology, health and wellness, legal and other qualified services. Contributions would be limited to \$14,000 per year, and capped at \$400,000. A person could have only one account.

To be eligible for an ABLE account, a person must have become blind or disabled before the age of 26. The Governor's Council on Disabilities and Special Education estimates that about 13,770 Alaskans – 10 percent of those with a disability – might qualify for ABLE accounts.

By empowering Alaskans with disabilities and their families to build their financial independence, HB 188 will help them meet more of their life challenges by relying on private resources, without eroding the value of public benefits to which they are entitled. ABLE accounts will be important tools for helping them live full, productive lives in their communities.

###

ALASKA STATE LEGISLATURE

Session:
State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-3783
Fax: (907) 465-2293
Toll Free: (877) 460-3783



Interim:
12641 Old Glenn Hwy., Ste. 201
Eagle River, AK 99577
Phone: (907) 622-3783
Fax: (907) 694-1015
Toll Free: (877) 460-3783

REPRESENTATIVE DAN SADDLER

CS for House Bill 188 ABLE Act Version N Sectional Analysis

"An Act establishing a program for financial accounts for individual with disabilities; creating a property exemption for money in or paid from a financial account in the program for an individual with a disability; exempting the procurement of contracts for the program from the State Procurement Code; exempting certain information on the participants in the program from being subject to inspection as a public record; providing that an account under the program for an individual with a disability is not a security; allowing a state to file a claim against an individual's financial account under the program to recover Medicaid payments after the individual's death; and providing for an effective date."

Sec. 1: Cites this as the Alaska ABLE Act Savings Program Act

Sec. 2: Creates a new chapter 65. Alaska Savings Program for Eligible Individuals

Sec. 06.65.010: Program authorized. Authorizes Alaska ABLE savings program in the Department – which is the Alaska Department of Revenue. Allows it to implement and administer the program under the Federal ABLE Act.

Sec. 06.65.020: General department duties. Outlines the duties of the department in implementing and administering the program.

Sec. 06.65.030: Modification of program. Gives the Department authority to modify the program in accordance to any federal law changes

Sec. 06.65.040: Additional department powers. Allows department to set fees for program transactions and services and also develop marketing plan to promote the ABLE program

Sec. 06.65.050: Contracting authority; procurement exemption. Allows department to contract with a person to assist in implementing the program, provide services, join other states to obtain or provide services for implementation, join a cooperative effort with other states to provide services for the program that could include investment and record-keeping services. Allows state to join with other states to allow an Alaska resident to participate in a program in another state under federal authorizing law and for an outside state to participate in a program in this state. If contracting with another state, AS 36.30 (Procurement Code) will not apply.

Sec. 06.65.060: Investment oversight: Allows the department to oversee and approve selection of investment managers and advisors for the program, and to oversee all investment disclosures and regulatory filings related to program investments

Sec. 06.65.070: Financial contractor obligations: outlines duties/obligations of the selected financial contractor(s)

Sec. 06.65.080: Additional audits: Allows the department to order an audit of the contractor's financial operation and position in addition to annual audit if the department has reason to be concerned

Sec. 06.65.090: Contract termination; non-renewal. Gives department authority to not renew a financial contract. If so it would take custody of the program accounts and transfer them to another financial contractor that offers similar program accounts

Sec. 06.65.100: Eligible individuals. Describes who is eligible to participate in the program.

Sec. 06.65.110: Representative of eligible individuals. Describes who may act as a representative of the eligible individual who is a minor or lacks decision-making capacity

Sec. 06.65.120: Program account ownership. States that the owner of the program account is the designated beneficiary.

Sec. 06.65.130: Number of program accounts. Allows only one program account per designated beneficiary under federal authorizing law.

Sec. 06.65.140: Program account application: Outlines department procedures for program account applications and information to be collected in that process

Sec. 06.65.150: Program account establishment fee. Allows financial contractor to charge a non-refundable to establish program account. That fee to be determined in the contract with the financial contractor.

Sec. 06.65.160: Program account contributions. Outlines how a person can make a contribution, the limit authorized by federal law, allows department to reject or withdraw a contribution that exceeds that annual limit or maximum limit established by authorizing law or if designated beneficiary is not eligible, and that financial contractor must report contributions to the IRS.

Sec. 06.65.170: Limited investment direction. Limits to two the number of times a program account investment can be changed.

Sec. 06.65.180: Change of designated beneficiary. Allows a designated beneficiary or representative to change beneficiary of an account to another eligible individual in the family.

Sec. 06.65.190: Distribution for qualified expenses. States that withdrawals from the program accounts may only be used for qualified expenses for the designated beneficiary.

Sec. 06.65.200: Rollover distribution. Subject to federal law governing rollovers, a distribution from a program account can be made to the same designated beneficiary or another eligible individual in the family, and the timeframe for that to be done.

Sec. 06.65.210: Statements. Requires that statements re: program accounts be issued 4 times a year at times established by the department and that the program contractor provide related information at the department's request.

Sec. 06.65.220: Preparation and filing. In addition to other reports a financial contractor shall prepare and file statements required under state and federal law and other agencies.

Sec. 06.65.230: Separate accounting. Requires a financial contractor to provide separate accounting for each program account.

Sec. 06.65.240: Annual fee. Allows a financial contractor may charge an annual fee for maintenance of a program account.

Sec. 06.65.250: Use as security. Prohibits a program account from being used as security for a loan

Sec. 06.65.260: Exemption from creditor claims. States that a program account is exempt from a claim by a creditor

Sec. 06.65.270: No state obligation. Declares that the program does not create an obligation of the state, department, or any agency to guarantee the return of principal or pay interest on the principal in a program account

Sec. 06.65.280: Confidentiality. Specifies that program account information is confidential

Sec. 06.65.290: Exchange of information. Allows the Department to exchange information with the Department of Health and Social Services and other state agencies to determine whether an individual is eligible

Sec. 06.65.300: Treatment under means test programs. Specifies the program account amounts must be disregarded in determining eligibility for means-tested programs

Sec. 06.65.310: Deposit from permanent fund dividend. Allows deposits to program accounts from the permanent fund dividend

Sec. 06.65.320: Program expense fund. Establishes program expense fund and describes its purpose and operation

Sec. 06.65.330: Medicaid claims: Allows that the state may file a claim against the program account of a beneficiary who dies.

Sec. 06.65.340: Governing law. Establishes federal law as governing to the extent of any conflict with state law

Sec. 06.65.350: Regulations. Requires the department to adopt implementing regulations

Sec. 06.65.360: Annual report. Requires the department to evaluate the program each year and file an annual report on or before the start of each legislative session beginning in 2018

Sec. 06.65.390: Definitions.

Sec. 3:

AS 09.38.015(a): Creates an exemption for amounts in a program account

Sec. 4:

AS 36.30.850(b): Adds ABLE program account oversight as a responsibility of the Commissioner of Revenue

Sec 5:

AS 40.25.120(a) is amended to create an exception to public inspection for names, addresses, and other program account identifying information

BIRCHWOOD • CHUGIAK • EAGLE RIVER • FIRE LAKE • JBER

Rep.Dan.Saddler@akleg.gov

Sec. 6

AS 45.55.990(32): Excludes program accounts from the definition of “security”

Sec. 7:

AS 47.07.055: Allows the state to file a claim against the designated beneficiary’s program account after the individual dies

Sec. 8: Transition

Requires the Department to file its first report on the program on or before the first day of the Second Regular Session of Thirtieth Alaska State Legislature (2018)

Sec. 9: Transition

Allows the Department to adopt regulations, but not before the effective date of the provisions authorizing the Alaska ABLE savings program

Sec. 10: Effective Date

Section 9 takes effect immediately

ALASKA STATE LEGISLATURE

Session:
State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-3783
Toll Free: (877) 460-3783



Interim:
12641 Old Glenn Hwy., Ste. 201
Eagle River, AK 99577
Phone: (907) 622-3783
Fax: (907) 694-1015
Toll Free: (877) 460-3783

REPRESENTATIVE DAN SADDLER

CS for House Bill 188 ABLÉ Act Version A to Version N Summary of Changes

- The Dept. of Revenue is authorized to implement and administer the ABLÉ Act. Original version authorized the Dept. of Commerce, Community & Economic Development
- Broader language for it to respond to any changes in federal authorizing law
- Allows DOR to “contract with other states” (ie) join the “consortium” to achieve a better economy of scale and share administrative tasks
- Allows DOR to have an equal vote in the Request for Proposal process that selects a financial contractor
- Allows DOR to contract with its own financial institution if it chooses to do so and it deems it an economically viable choice

These items remain the same:

- The Dept. can order an audit of the financial contractor, maintain oversight, terminate or not renew a contract if they want to choose a different contractor
- Describes who is an eligible to apply for an ABLÉ account
- Describes who can represent an eligible individual for an ABLÉ account
- States who can own an account, the number of accounts allowed, that a fee may be required to open an account, guidelines and caps for the accounts themselves, that the accounts can be changed only 2 times a year, that a designated beneficiary can be changed, guidelines for use of the account, rollover options, statement requirements, accounting requirements, annual fees.
- Does not allow an ABLÉ account to be seen as a “security” for a loan
- States that an ABLÉ account is exempt from creditor claims
- Relieves the state of any obligation to guarantee an ABLÉ account

- Ensures that information re: ABLE accounts are confidential, and not open to public record search, but allows the Dept and DHSS to exchange information re: eligibility
- Specifies that ABLE accounts may not be considered assets under means test programs
- Funds/fees received can be used in a program expense fund to run the program
- Allows a state or Medicaid to file a claim to claw back funds if a beneficiary dies
- Established federal law as governing law for the program
- Adds an ABLE account to list of exemptions
- Requires annual report to the legislature

PROVIDED by AUTISM SPEAKS

What is the ABLE legislation?

ABLE is federal legislation that would allow families and individuals to save for the disability-related expenses of a disabled individual in a federal tax-advantaged account. The legislation is modeled after the 529 education savings program legislation and provides similar federal income tax advantages – contributions grow tax deferred and are tax exempt when used for “qualified disability expenses.” ABLE savings programs would need to be “established and maintained” by a state.

Significant provisions:

With the revision creating a new IRC section (529A) much of the confusion and concern of the 529 industry caused by the original bills has been eliminated.

The revised ABLE legislation still requires ABLE programs to be established and maintained by a state. States will need to pass their own enabling legislation to offer an ABLE program. For states that wish to offer such programs, the most effective and efficient way to do so is likely to be building on the infrastructure of the current 529 college savings program. While ABLE is modeled on the 529 structure, there are some significant differences that states should be aware of in considering whether and how to implement ABLE.

1. Eligible individual. An eligible individual is one who is:
 - a. disabled, defined as being entitled to benefits based on blindness or disability under Title II or XVI of the Social Security Act, or has a “disability certification” filed with the Treasury Secretary; and
 - b. became disabled before age 26.
2. Disability certification. A disability certification must state that “the individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months,” or is blind. The certification must include the diagnosis and be signed by a physician
3. Yearly eligibility. The beneficiary must be disabled (including having a certification, if needed) in each year in which a contribution is made.
4. Account Owner. The beneficiary is the account owner.
5. One account. There may be only one account for a beneficiary. If there is a second account, only the one that is established first can be treated as an ABLE account.
6. Home state. The account must be opened in the beneficiary’s state of residence or a state contracting with the home state.
7. Change of beneficiary. The beneficiary can be changed to a disabled “member of the family” of the old beneficiary. But that is defined more narrowly than for 529 college savings program to be only siblings and step-siblings.
8. Contribution limit. Annual contributions per beneficiary (not per contributor) are limited to the federal gift tax limitation (currently \$14,000). The maximum contribution amount is the same as set by the state for its 529 college savings plan.

9. Investment direction. The beneficiary is allowed to change the investments twice in a calendar year. (NOTE: the legislation provides this same flexibility to 529 college savings accounts).
10. Distributions. Distributions are not taxed if used for “qualified disability expenses” which include expenses for:
 - a. Education
 - b. Housing
 - c. Transportation
 - d. Employment training and support
 - e. Assistive technology and personal support services
 - f. Health
 - g. Prevention and wellness
 - h. Financial management and administrative services
 - i. Legal fees
 - j. Expenses for oversight and monitoring
 - k. Funeral and burial expenses
 - l. Other expenses approved by the Treasury Secretary
11. Tax penalty. There is a 10% federal tax penalty for distributions not used for qualified disability expenses or if there is a change of beneficiary to an individual who is not disabled.
12. As with 529s, the penalty is not imposed for distributions made after the death of the beneficiary.
13. But in ABLE the penalty can be avoided even though the beneficiary does not have qualified expenses if contributions are distributed along with their earnings before the federal tax filing deadline for the year in which the contributions were made.
14. Exclusion from means-tested federal programs. ABLE accounts are excluded from being counted for means-tested federal programs except for supplemental security income programs: (1) distributions for housing expenses are not excluded; and (2) account values over \$100,000 are counted and could result in the suspension but not termination of benefits – but not Medicaid eligibility.
15. Medical assistance claim. Upon the death of the beneficiary, the state can make a claim for funds in the account up to the net amount the state paid in medical assistance.
16. Reporting. Programs must make reports, including reports
 - a. at the time an account is established, to the Treasury Secretary giving the name and state of residence of the beneficiary;
 - b. as specified by the Treasury Secretary, on contributions, distributions, return of excess contributions, and such other matters as requested; and
 - c. monthly, to the Commissioner of Social Security, giving information on distributions and account balances from all ABLE accounts.
17. Medicaid claw back. Funds remaining in the account after the death of the beneficiary can be claimed by Medicaid to reimburse it for benefits provided to the beneficiary.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

Senior and Disabilities Services
Governor's Council on Disabilities & Special
Education
Patrick J. Reinhart, Executive Director

3601 C Street, Suite 740
Anchorage, Alaska 99503
Main: 907.269.8990
Fax: 907.269.8995

February 1, 2016

RE: HB188 and SB104 Letter of Support

To Whom It May Concern:

The Governor's Council on Disabilities and Special Education (the "Council") fills a variety of federal and state roles, including serving as the State Council on Developmental Disabilities (SCDD) under the Developmental Disabilities Assistance and Bill of Rights Act. As the state DD Council, the Council works with Senior and Disabilities Services (SDS) and other state agencies to ensure that people with intellectual and developmental disabilities and their families receive the services and supports that they need, as well as participate in the planning and design of those services. One of the duties of the state DD Council is providing comments on bills that may have an impact on individuals with intellectual and/or developmental disabilities and their families.

To this end, the Council would like to issue this letter of support for HB188 and SB104 as the Alaska enabling legislation for the federal Achieving a Better Life Experience (ABLE) Act. This legislation and subsequent availability of Alaskan financial institutions to issue tax advantage savings accounts for eligible persons with a disability has the potential to significantly impact a large number of Alaskans, especially those with intellectual and developmental disabilities and their families.

Such accounts will allow for much needed savings for qualified disability related expenses not covered by public programs. ABLE Act accounts also stand to work towards eliminating current barriers to employment for Alaskans with disabilities by creating a tool which will allow savings of income earned from a job without jeopardizing the public benefits required to meet their support needs to keep the job. Currently, Alaskan's with disabilities cannot go beyond \$2,000 of resources before losing some or all of their needed public benefits. These accounts have a great potential for assisting individuals with disabilities in a pathway out of poverty and foster greater independence and self-sufficiency.

Alaska works best when everyone has a true opportunity to work, save, and still have necessary supports to meet their unique needs. The Council sees HB188 and SB104 as strongly aligned with the

goals of Alaska's Employment First Law and supports these bills as a means of increasing the independence of Alaskans with disabilities. Ultimately, enabling Alaskans with disabilities to save and provide for their own needs as well as becoming employed has the distinct potential towards significant cost savings for the state.

Respectfully,

Handwritten signature of Amy Simpson in cursive script, followed by a horizontal line.

Amy Simpson, Chair

Handwritten signature of Patrick Reinhart in cursive script.

Patrick Reinhart, Executive Director



GOVERNOR'S COUNCIL
ON DISABILITIES &
SPECIAL EDUCATION

***The ABLE Act:
Achieving a Better
Life Experience***

Patrick Reinhart
Executive Director
Governor's Council on Disabilities & Special Education



ABLE Accounts:

- Achieving a Better Life Experience Act



What does it Mean?



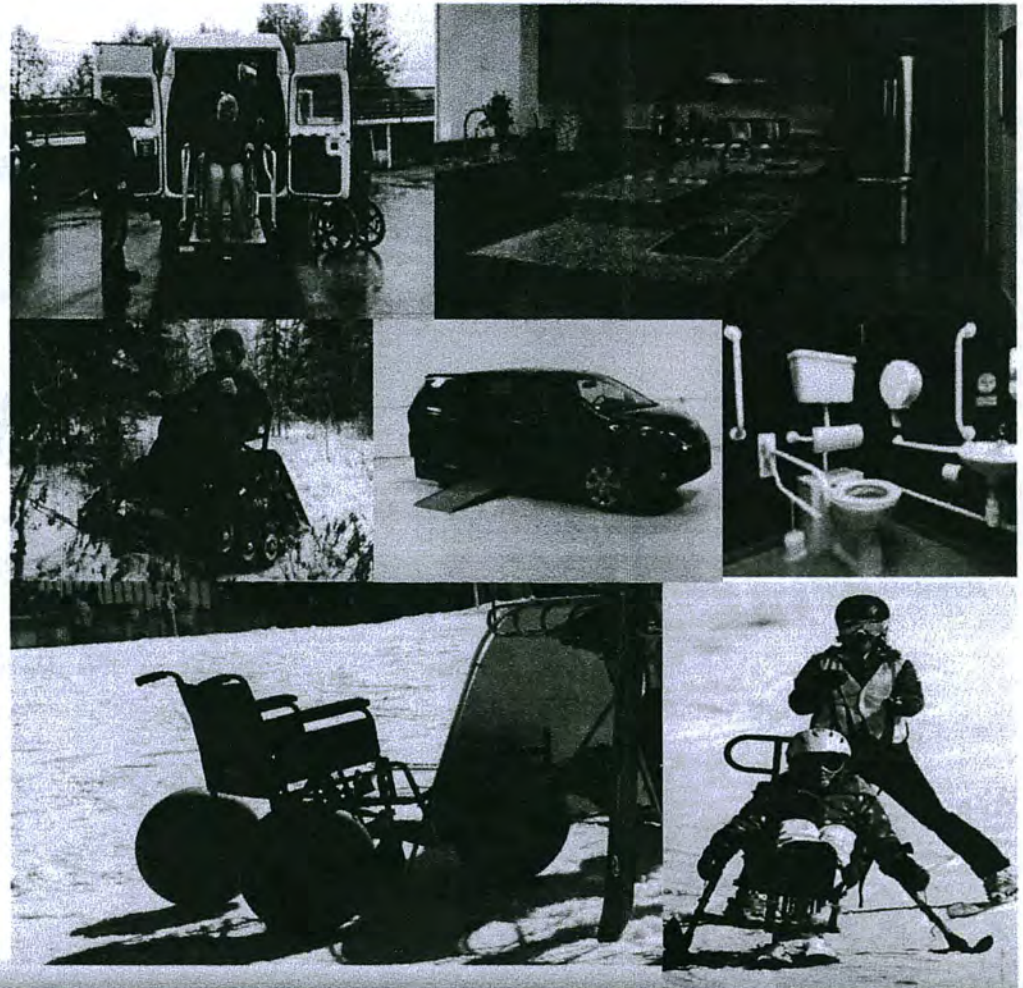
Signed into law 12/19/14



What is an ABLE Account?

Tax-exempt savings account:

- Similar to 529 college savings account
- Recognizes the high cost of living with a disability
- Will increase opportunities for financial independence and greater self-sufficiency





SSI Payments 2016

“Maximum Federal Supplemental Security Income (SSI) payment amounts increase with the cost-of-living increases that apply to Social Security benefits. **This year there is no COLA, so there will be no increase in SSI payment amounts in 2016.** The monthly maximum Federal amounts for 2016 are **\$733** for an eligible individual and **\$1,100** for an eligible individual with an eligible spouse.” (Social Security Administration)

\$733
X12
\$8,796/year






Alaska Poverty Levels

PERSONS IN FAMILY/HOUSEHOLD

POVERTY GUIDELINE

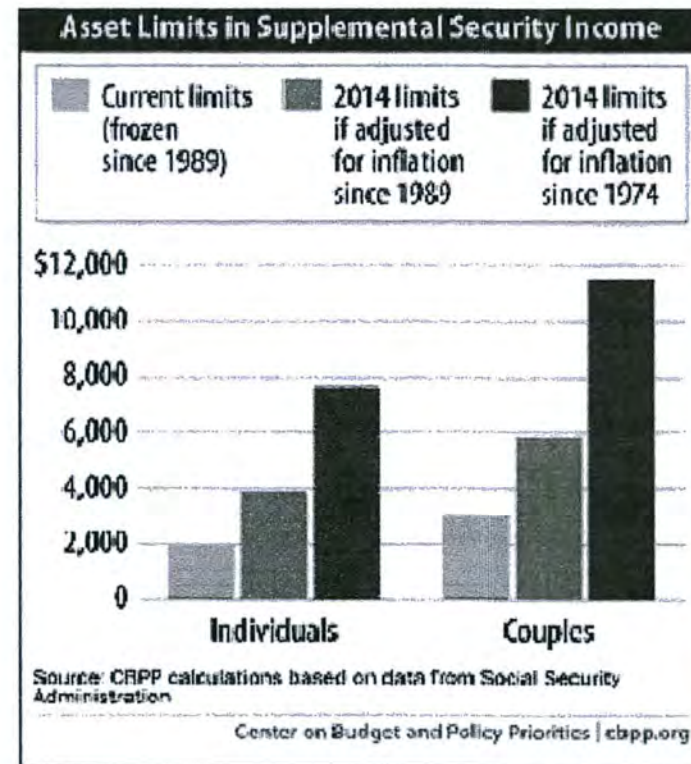
For families/households with more than 8 persons, add \$5,200 for each additional person.

1	\$14,720
2	\$19,920
3	\$25,120
4	\$30,320
5	\$35,520
6	\$40,720
7	\$45,920
8	\$51,120



The ABLE Act is an *Empowerment* Tool:

- The ABLE Act is a critical new tool to facilitate employment possibilities:
 - ***Allows saving above the Medicaid and Social Security (SSI) Resource Limits!!!***
 - Save money earned without risking necessary public benefits that enable employment in the first place
 - Reduced reliance on government by allowing a better opportunity for personal saving






ABLE Accounts: 10 Things You Must Know

1) What is an ABLE account?

- **Tax-advantaged** savings accounts for individuals with disabilities and their families
- Income earned by the accounts = **not taxed**
- Contributions to the account = not tax deductible



ABLE Accounts: 10 Things You Must Know

2) *Why is there a need for ABLE accounts?*

- Previously, public benefit eligibility required an individual to remain at or below poverty levels
 - **ABLE savings accounts will not affect eligibility for SSI, Medicaid/other federal public benefit programs!**
- There are extra costs of living with a disability



ABLE Accounts: 10 Things You Must Know

3) Am I eligible for an ABLE account?

Eligibility = individuals
with significant
disabilities

Age of onset before turning 26

Infographic design by WWW.LvuDesign.com





#3 Continued...

- **SSI and/or SSDI = *automatically eligible***
- **No SSI and/or SSDI = *eligible if you meet SSI criteria***
 - *Significant functional limitations*
- **Can be under 26 or over 26**
 - If over 26, documentation of onset needed
- **Proof of eligibility is on the individual and the IRS, not the state**
 - E.g. Taxes – you lie on your taxes it's perjury
 - Saves states administrative burden of collecting medical information
 - No HIPAA concerns



ABLE Accounts: 10 Things You Must Know

4) Are there limits to how much money can be put in an ABLE account?

– Total annual contributions = \$14,000


- Amount will be adjusted annually for inflation
- Gift Tax Exclusion: \$14,000 = maximum amount individuals can give & not pay taxes



#4 Continued...

–Total limit over time = determined by state:

- SSI/Medicaid recipients = exempt from resource limit up to \$100,000
 - Exceeding \$100,000 = loss of SSI eligibility/benefits
 - » Medicaid eligibility continues, however




ABLE Accounts: 10 Things You Must Know

5)

What can ABLE account funds be used for?

- Qualified disability expenses, related to individual's disability and made for his/her benefit, including:
 - Education
 - Housing
 - Transportation
 - Legal fees
 - Employment training and support
 - Assistive technology and personal support services
 - Health, prevention, and wellness
 - Financial management and administrative services
 - Expenses for oversight and monitoring
 - Funeral and burial expenses
 - Any other expenses approved by Secretary of the Treasury under regulations consistent with purpose of the program
- Expenditures for non-qualified expenditures will be penalized (tax and potential SSI penalties).



ABLE Accounts: 10 Things You Must Know

6) *Where do I go to open an ABLE account?*

- Each State will decide (U.S. Dept. of Treasury will guide)
 - Information required to open account
 - Documentation needed for account eligibility
 - Definition of "qualified disability expenses"



qual·i·fied

'kwälə, fīd/
adjective




#6 Continued...

Once Regulations are in place:

- ✓ States are responsible for establishing/operating ABLE program
 - States may choose to contract with another state

- ✓ *No accounts can be established until regulations are finalized*
 - IRS interim guidance recently released



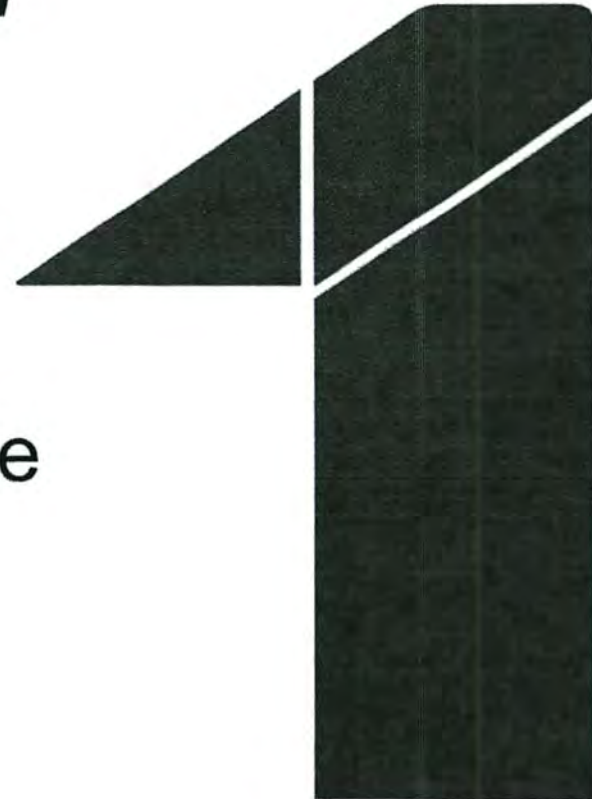



ABLE Accounts: 10 Things You Must Know

7) Can I have more than one ABLE account?

– No.

- The ABLE Act limits the opportunity to one ABLE account per eligible individual.






ABLE Accounts: 10 Things You Must Know

8) *Will states offer options to invest the savings contributed to an ABLE account?*

– Most likely:

- Similar to state 529 college savings plans
- Investment changes = two opportunities per year.





ABLE Accounts: 10 Things You Must Know

9) How many eligible individuals and families might benefit from establishing an ABLE account?

- U.S.A. = 58 million individuals with disabilities
 - Eligible for ABLE account = significant disability
 - **Estimated at approx. 10% of 58 million**
 - » **Approximately 5.8 million individuals & families nationwide**






#9 Continued...

How many eligible individuals and families might benefit from establishing an ABLE account in Alaska?

- There are approximately 137,700 individuals with disabilities in AK
 - Based on 2013 state population estimates
- **As many as 13,770* Alaskans with disabilities and their families could be impacted by ABLE**
 - Same calculation concept (10% of total number) used as the National Disability Institute regarding achieving the national approximate number
 - **Further analysis is needed to fully understand the size of this market, their needs for new savings accounts, and the overall impact to Alaskans with significant disabilities.*




ABLE Accounts: 10 Things You Must Know

10) *How is an ABLE Account different than a special needs or pooled trust account?*

- *More choice and control*
- *Low startup costs*
- *Account owner ability to control funds*





State Legislative/Regulatory Action

*New law only alters federal
rules to allow for ABLE
accounts...*

- Each state must put
regulations in place
following the regulation
development and
guidance by the Treasury*
 - Similar to other types of 529
plans*
 - This enables financial
institutions to make such
accounts available in the
given state*





Recent Updates

- 2015 - 35 states have passed ABLE Act related legislation or executive orders
- Alaska (effective date to be set by legislature)
 - HB 188 & SB 104 introduced last session






Recent Updates

- ***November 20, 2015***
 - ***IRS Guidance***
 - Categorization of distributions not required
 - Contributor Taxpayer ID's not required
 - Disability diagnosis certification permitted





Recent Updates

- ***December 17, 2015 – State residency requirement eliminated***
 - Quicker access to ABLE accounts
 - Increased competition = more investment options
 - First states to implement will likely get a large initial flurry of investors
 - May lead to additional incentives to stay in-state
 - Potential positives to Permanent Fund impact on benefits





Partners in Implementation

“National ABLE Resource Center”



crodriguez@ndi-inc.org



Questions?

Patrick Reinhart, Executive Director

**3601 C Street, Suite 740
Anchorage, Alaska 99503**

Toll Free: 1 (888) 269-8990

From Anchorage: (907) 269-8990

Fax: (907) 269-8995

<http://dhss.alaska.gov/qcdse/>





Municipality of Anchorage

Ethan Berkowitz, Mayor

Department of Health and Human Services

February 9, 2016

Patrick Reinhart
Executive Director,
Governor Council on Disabilities and Special Education
3601 C Street, Suite 740
Anchorage, Alaska 99503

Dear Patrick:

On behalf of the Municipality of Anchorage ADA Advisory Commission, we would like to express our support for the Achieving A Better Life Experience (ABLE) legislation pending before the Alaska legislature (HB188 and SB104).

The Anchorage ADA Advisory Commission is a seven member municipal advisory board that assists the Anchorage Department of Health and Human Services, the Mayor of Anchorage and the Anchorage Assembly on issues of importance to people with disabilities living, working and visiting Anchorage.

This bill would allow financial institutions to issue tax advantage savings accounts for eligible persons with a disability. Such accounts will allow for qualified disability-related expenses not covered by public programs. ABLE Act accounts also work towards reducing barriers to employment for Alaskans with disabilities by creating a tool which will allow the income savings earned from a job to not jeopardizing the public benefits. Currently, Alaskans with disabilities cannot have more than \$2,000 of financial resources before losing some or all of their needed public benefits. These accounts have the potential of assisting individuals with disabilities in a pathway out of poverty and foster greater independence and self-sufficiency.

The Anchorage ADA Advisory Commission supports HB188 and SB104. This bill enables Alaskans with disabilities to save and become independent and self sufficient in the future. Thank you for your support of the bill and if you have any questions, please let me know.

Sincerely,

David Ziemer

Chair, Municipality of Anchorage ADA Commission



AUTISM SPEAKS®

February 1, 2016 RE: HB188 and SB104 Autism Speaks Letter of Support

To Whom It May Concern:

Autism Speaks is the world's leading autism science and advocacy organization, dedicated to funding research into the causes, prevention, treatments and a cure for autism; increasing awareness of autism spectrum disorders; and advocating for the needs of individuals with autism and their families. Autism Speaks works to ensure that people with autism have the opportunity to lead fulfilling and independent lives.

We are writing to support HB188 and SB104 as the enabling legislation for the federal ABLE Act. The federal law was the culmination of an almost decade-long effort to create a new way for people with disabilities and their families to save for future disability expenses without losing eligibility for means-tested federal programs like Supplemental Security Income (SSI) and Medicaid. In testimony before the Senate Finance Committee Subcommittee on Taxation and IRS Oversight, Bob D'Amelio, a volunteer advocate for Autism Speaks and the father of three children, two of whom are on the autism spectrum, offered this support for the ABLE Act:

An ABLE account would enable families like mine to save for housing, job supports, education, and other services without the fear of losing Social Security or Medicaid benefits. The current section 529 plans fall short for the many individuals with autism and other disabilities who cannot or choose not to go on to college. As much as anything else, the ABLE Act is about fairness. If Christi and I can use a college savings account to provide for our daughter Lindsey's future, why can't we use something similar to take care of Nicholas and Christopher?

I would love to sleep at night knowing that I was doing everything I could to secure the future of my children. My son Christopher is a very smart young man, but he will need a job coach and at some point a residential program. Saddling my daughter Lindsey with a big financial burden is not fair when Christi and I can provide for Christopher. Lindsey is already mature beyond her ten years of age. She knows that she will be looking after Christopher and keeping tabs on Nicholas for her entire life.

Autism teaches you to be strong, to persevere when others tell you to give up, to celebrate the small steps in life, and to appreciate what you have. But autism demands your time and energy and changes how you live as a family. Parents like Christi and I want to do everything we can for our kids – for all of our kids, disabled or not. The ABLE Act would allow families to make the future more secure for children with disabilities, taking the burden off siblings, other family members, and government. Please take the simple step of passing ABLE. We all will sleep better when it becomes law.

Although Bob D'Amelio lives in North Carolina, he spoke for families in Alaska and around the country. Autism affects 1 in 68 children. ABLE programs offer a new opportunity to meet the future needs of people with disabilities. We are grateful that Alaska is poised to act on this opportunity.

Yours truly,

Stuart Spielman

Stuart Spielman
Senior Policy Advisor and Counsel