



LAWS OF ALASKA

2001

Source
SB 81

Chapter No.
36

AN ACT

Relating to the nonademption of property transfers; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: June 25, 2001
Actual Effective Date: June 26, 2001

AN ACT

1 Relating to the nonademption of property transfers; and providing for an effective date.

2

3 * Section 1. AS 13.12.712(a) is amended to read:

4 (a) Unless the trust provides otherwise, a [A] beneficiary of a trust has a
5 right to [THE SPECIFIC] property that, by the terms of [TRANSFERRED BY] the
6 trust, is to be specifically distributed to the beneficiary and to

7 (1) any amount of a condemnation award that is for the taking of the
8 property and that is unpaid when [AT THE TIME OF] the distribution becomes
9 effective [TRANSFER];

10 (2) any proceeds from [UNPAID AT THE TIME OF THE
11 TRANSFER ON] fire or casualty insurance on₂ or other recovery for injury to₂ the
12 property that are unpaid when the distribution becomes effective; and

13 (3) property owned by the settlor when [AT THE TIME OF] the

Chapter 36

1 **distribution becomes effective if the property is** [TRANSFER AND] acquired as a
2 result of foreclosure, or obtained in lieu of foreclosure, of the security interest for the
3 specifically **distributed** [TRANSFERRED] obligation.

4 * **Sec. 2.** AS 13.12.712(b) is repealed and reenacted to read:

5 (b) Unless the covered trust provides otherwise, if property that is to be
6 specifically distributed to a beneficiary of a covered trust is instead sold or mortgaged
7 by a trustee of the covered trust, or if a condemnation award, insurance proceeds, or a
8 recovery for injury to the property is paid to a trustee of the covered trust, the
9 beneficiary has the right to a general pecuniary property distribution that is equal to
10 the net sale price, the amount of the unpaid loan, the condemnation award, the
11 insurance proceeds, or the recovery. In this subsection, "covered trust," means a trust
12 that was originally amendable or revocable by the settlor but that cannot be amended
13 or revoked by the settlor because of the settlor's incapacity.

14 * **Sec. 3.** AS 13.12.712(d) and 13.12.712(e) are repealed.

15 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
16 read:

17 APPLICATION. AS 13.12.712, as amended by secs. 1 - 3 of this Act, applies to a
18 trust instrument, including a conveyance, that is executed on or after August 9, 2000, and to
19 that extent is retroactive under AS 01.10.090.

20 * **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).