

# Alaska State Legislature

## House of Representatives



Official Business

State Capitol  
Juneau, AK 99801-1182

### **SPONSOR STATEMENT FOR HB 517**

#### **BY: Representative Tom Anderson**

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

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

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

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

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

I urge your support for this legislation.