

1 HB196
2 147866-1
3 By Representatives Johnson (K) and Hill
4 RFD: Financial Services
5 First Read: 07-FEB-13

2
3
4
5
6
7
8 SYNOPSIS: Under existing law, the Uniform Transfer to
9 Minors Act authorizes a transfer of property to a
10 custodian for the benefit of a minor. An
11 irrevocable transfer by a person who is otherwise
12 obligated to a minor may not exceed \$10,000 in
13 aggregate.

14 This bill would delete the \$10,000 limit on
15 transfers by a person obligated to a minor.

16 Under existing law, if a custodian has not
17 been nominated or a custodian dies or is unable to
18 serve, a transfer may be made to an adult member of
19 the minor's family or a bank or other financial
20 institution.

21 This bill would limit a transfer under this
22 provision to transfers which do not exceed \$50,000.

23
24 A BILL
25 TO BE ENTITLED
26 AN ACT
27

1 To amend Section 35-5A-8 of the Code of Alabama
2 1975, relating to transfers under the Transfer to Minors Act;
3 to delete the limitation on transfers to a custodian and to
4 limit transfers to adult members of the minor's family or a
5 financial institution when a custodian has not been nominated
6 or is otherwise unable to serve.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. Section 35-5A-8 of the Code of Alabama
9 1975, is amended to read as follows:

10 "§35-5A-8.

11 "(a) Subject to subsections (b) and (c), a person
12 not subject to ~~section~~ Section 35-5A-6 or 35-5A-7 who holds
13 property of or owes a liquidated debt to a minor not having a
14 conservator may make an irrevocable transfer to a custodian
15 for the benefit of the minor pursuant to ~~section~~ Section
16 35-5A-10; ~~provided, however, that transfers from obligors to a~~
17 ~~custodian under this section must not exceed \$10,000 in~~
18 ~~aggregated value at the time of transfer.~~

19 "(b) If a person having the right to do so under
20 ~~section~~ Section 35-5A-4 has nominated a custodian under that
21 section to receive the custodial property, the transfer must
22 be made to that person.

23 "(c) If no custodian has been nominated under
24 ~~section~~ Section 35-5A-4, or all persons so nominated as
25 custodian die before the transfer or are unable, decline, or
26 are ineligible to serve, a transfer under this section may be
27 made to an adult member of the minor's family or to a trust

1 company unless the property exceeds fifty thousand dollars
2 (\$50,000) in value."

3 Section 2. This act shall become effective on the
4 first day of the third month following its passage and
5 approval by the Governor, or its otherwise becoming law.