

1 SB199  
2 147866-1  
3 By Senator Irons  
4 RFD: Judiciary  
5 First Read: 14-FEB-13

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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  
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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.