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February 26, 2020

VIA EMAIL  
senator.john.coghill@akleg.gov

Senator John Coghill  
State Senate  
State Capital Room 103  
Juneau, Alaska 99801

**Re: Letter in support of SB 191 and SB 192**

Dear Senator Coghill,

I support Senate Bill 191 - *"An Act relating to trusts and trustees, including trust division, the powers of trustees, delayed gifts to trusts, and community property trusts; and providing for an effective date"* and Senate Bill 192 - *"An Act relating to fiduciary discretion and the allocation of capital gains to income under the Alaska Principal and Income Act."*

I have been a trust and estate attorney in Fairbanks for over 35 years. I lobbied in favor of the Alaska Trust Act in 1997 and supported and lobbied in favor of the enactment of the other laws since then which have made Alaska a national leader in trusts and innovative estate and tax planning options for both Alaskans and non-Alaskans.

Senate Bills 191 and 192 are a continuation of this leadership as they expand and add clarification to our existing statutes. These distinctive statutes have provided Alaska with increased planning options for its citizens, revenue, job creation and industry diversification for over 20 years. Senate Bills 191 and 192 will further these benefits to the State. Senate Bills 191 and 192 will update existing statutes related to trust and tax planning. These proposals, with the exception of the Alaska gift trust, would clarify certain aspects of Alaska law rather than adding new concepts to our statutes.


The Alaska Gift Trust offers a new and unique estate planning strategy that is not currently available under the laws of any other state. This proposed measure would provide that a promise to make a gift to an Alaska Gift Trust is enforceable under Alaska law even if the promise is not backed by consideration (that is, the transfer of property or cash for the promise made). This will permit taxpayers throughout the United States to use their current estate and gift tax exemptions, which are at historic highs and may be reduced in the future, without having to give up the ownership of property until later when the promise is fulfilled.

I applaud the efforts of the Alaska Legislature over the past two decades that made Alaska a national leader in trusts and estate planning. The 1997 Alaska Trust Act and other

legislation since then has significantly benefited my Alaska estate planning clients, and has given me the opportunity to work with some of the best estate planning attorneys across the nation for clients who want to settle their trusts in Alaska. This has resulted in millions of dollars being deposited in financial institutions in the state which, in turn, have provided funding for Alaska businesses, and provided significant work for many Alaskans in our burgeoning financial services industry. I hope to see this success continue for years to come and thank you for your support in helping to make Alaska a national leader in trusts, estate planning, and related financial services.

I would like to voice my strong support for the enactment of Senate Bills 191 and 192. Thank you.

Sincerely yours,

  
Richard W. Hompesch II

cc: Aimee Bushnell (via email [aimee.bushnell@akleg.gov](mailto:aimee.bushnell@akleg.gov))