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Sponsor Statement

HB144 - UNIFORM PROBATE CODE; TRUSTS, WILLS

Alaska passed the first piece of trust legislation in 1997. Other states have adopted similar pieces of legislation because they realize the effectiveness of Alaska's trust laws. The trust and estate planning community continuously recommends to the legislature updates and improvements to Alaska trust laws to make sure that Alaska stays on the leading edge of providing the best estate and financial planning solutions.

Alaska's trust laws have had a significant impact on Alaska's economy. The State of Alaska has directly received millions of dollars of insurance premium tax dollars that the state would not have received without our trust laws. Local banks have also benefited, for example Alaska Trust Company has over twenty-million dollars on deposit with local Alaska banks. Many jobs have also been created in the trust, banking, insurance and legal fields.

House Bill 144 will keep Alaska in its front-runner position as the premier state for trust and estate planning. HB144 provides the following amendments to the Uniform Probate Code to facilitate the administration of wills and trusts in Alaska:

- Adds provisions allowing the settlor of a trust to designate a representative who can represent or bind an incapacitated person in future proceedings relating to the trust administration.
- Establishes that an augmented estate does not include property transferred to an irrevocable trust if the settlor is a discretionary beneficiary of the trust and if the transfer was made more than 30 days before marriage, or with the consent of the decedent's spouse. This provision is similar to statutory provisions adopted in Delaware.
- HB144 also creates a procedure for the establishment of will and trust validity before death. Situations arise where there is a question concerning a person's capacity to execute a will or trust, or whether the document was executed as the result of undue

influence, duress, fraud, or mistake. The new procedure will allow these issues to be brought before the court while the testator or settlor is alive and when evidence is fresh. Similar procedures are allowed in three other states.

- HB144 also provides for venue of a probate proceeding if the decedent was not domiciled in Alaska, but significant assets are located within the state.

The passage of HB144 will ensure that Alaska stays the premier state in which to establish trusts and estates.