

ALASKA STATE LEGISLATURE HOUSE JUDICIARY COMMITTEE

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Sectional HB 146

“An Act relating to transfer restrictions on trust interests.”

Sections 1 and 2 of the bill amend Alaska’s statute by adopting the following provisions which have been adopted in other twelve other states:

- A creditor must establish by clear and convincing evidence that a transfer was made with intent to defraud a creditor. (This standard has been adopted by nine of the other twelve states);
- Distributions can be made under the discretion of a trustee pursuant to a standard, as well as with absolute discretion;
- The settlor may be reimbursed for income taxes attributable to the trust;
- The settlor can retain the power to replace a trustee/advisor with a non-related, non-subordinate party.

Section 3 of the bill clarifies existing Alaska law to provide that in the event of a divorce or dissolution of the marriage of a beneficiary of the trust, the beneficiary’s interest, even though not vested, may not be considered a factor or economic circumstance in the division of property.