

# *Alaska State Legislature*

*Seward Meridian · Greater Palmer · Walby · Mat-Su Campus · Palmer City · Trunk · Lazy Mountain · Springer Loop*

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*Committees:*

*Standing Committee on State Affairs*

*Standing Committee on Resources*

*Special Committee on Energy*

*Representative DeLena Goodwin Johnson*

## **Sponsor Statement**

### **House Bill 208**

*“An Act relating to trusts and powers of appointment; and providing for an effective date”*

Alaska has set a precedence as being a leader in the Nation’s estate and tax planning Industry. Banks, trust companies, Alaskans, and Americans from all over seek out Alaska to be the home of their financial assets due to our environment which promotes economic security, strength, and growth. House Bill 208, seeks to continue the prosperity of this environment through further fostering a conducive place where people can invest their assets and know that our statutes will insure their integrity, and ability to benefit their intended audience.

We can look at House Bill 208 as a “flexibility” bill which provides for those looking to perform the best estate planning, whether they are residents or non-residents, assurance that their irrevocable document won’t hinder its beneficiaries through unintended results including; providing financial resource to a dangerous habit, not providing ability to pay for treatment of an unforeseeable disability, or by providing financial resource to someone who would rather put it towards a suitable charity. Decanting may also provide the ability to keep documents viable in response to changes in State or Federal tax laws.

Since 1997, Alaska has been a leader in adopting laws to improve estate and tax planning options for both Alaskans and non-Alaskans. House Bill 208 is a continuation of this leadership as it provides expansion and clarification to our existing statutes. House Bill 208 focusses on expanding and clarifying four key areas of our State Statutes surrounding irrevocable trusts.

The four areas are Decanting of Trusts, Powers of Appointment, traceability of Trust Assets for Tax Efficiency, and Clarification of Trustees’ Specific Powers. These four areas have since, and in some cases prior to, 1997 been forced to be decided by a Judge. Providing the ability for these four areas to be clearly outlined by the original settlor, and by providing beneficiaries the ability to adapt to unforeseen events, we continue to provide an environment where irrevocable trusts, like our State and National Constitution, may be amended to provide, or not provide, in clearly outlined, yet commonly unforeseen, circumstances.

Keeping all of these things in mind, I humbly ask for your support in keeping Alaska a leader in innovation in the trust industry as the financial industry continues its perpetually changing mentality by passing House Bill 208.