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Sent via email to Sen.Tom.Begich@akleg.gov and Brix.Hahn@akleg.gov

Senator Tom Begich
State Senate
State Capital Room 11
Juneau, Alaska 99801

Dear Senator Begich,

As an estate planning attorney in Alaska, and a member of Alaska Trust and Estate Professionals, I give my support of and encourage the passage of Senate Bill 11 – *“An Act relating to community property and to community property trusts; and providing for an effective date.”*

Alaska's community property laws allow both Alaskans and Non-Alaskans to structure ownership of property in a way that can provide significant tax benefits to the surviving spouse upon the death of the first spouse. To fully realize these tax benefits, income and appreciation on community property also must be characterized as community property. The recent Alaska Supreme Court ruling in *Phillips v. Bremner-Phillips*, Supreme Court No. S-17202 (Alaska Dec. 18, 2020) interprets AS 34.77.030(h) in a manner that leads to this result only in certain circumstances. The ruling is problematic for many Alaskans and Non-Alaskans whose estate plans were prepared based on a different interpretation of the statute.

The current language of subsection AS 34.77.030(h) needs to be clarified to achieve the best result for Alaskans and Non-Alaskans in all circumstances unless the individuals expressly do not want that result (which is highly unlikely). Without SB 11, many Alaskans and Non-Alaskans who have elected into the community property system – and who already probably believe that appreciation and income on community property also is community property – may be in for an unpleasant surprise at the death of the first spouse.

The passage of SB 11 would clarify planning outcomes for all Alaskans who own community property and Non-Alaskans who have come to our State to benefit from these laws. I give my strong support for the ratification of Senate Bill 11.

Very truly yours,

O'CONNOR LAW LLC



Abigail O'Connor