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

Emailed to: [Sen.Tom.Begich@akleg.gov](mailto:Sen.Tom.Begich@akleg.gov)  
cc: [Brix.Hahn@akleg.gov](mailto:Brix.Hahn@akleg.gov)

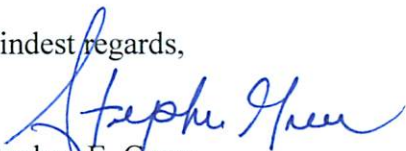
Dear Senator Begich:

On behalf of myself as an estate planning attorney and as a Director of the Alaska Trust and Estate Professionals (an Alaska non-profit corporation) I would like to emphasize the importance 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.*" Since 1997, Alaska has been a leader in adopting laws to improve estate and tax planning options for both Alaskans and non-Alaskans. One such law passed in 1998 which allows married couples to elect into the community property regime of property ownership. This choice of property ownership allows couples to enjoy the income tax benefit of a full "step-up" in basis at the death of the first spouse for all property owned by a married couple as community property. To accomplish this purpose, our statute must say that the appreciation and income of property that has been transmuted to community property is also community property.

The present language of subsection (h) of AS 34.77.030 needs to be clarified to expressly provide for the original intention of the 1998 legislation. Our Supreme Court in Phillips v. Bremner-Phillips, Supreme Court No. S-17202 (Alaska Dec. 18, 2020), recently interpreted AS 34.77.030 in a manner not originally intended by the legislature or the estate planning community when our opt-in community property statute was enacted in 1998. Since the passage of our 1998 community property law, **tens of thousands** of Alaskans have chosen to conduct marital finances, or at least a portion of them, in the community property system allowed under Alaska

law. Without clarification of the existing statutes, these plans will not function as intended which could have a significant impact on the financial plans of Alaskan couples who have opted into our community property system. The passage of SB 11 fixes the problem created by the Phillips decision and clarifies the planning outcomes for all Alaskans who own community property as was originally intended by the legislature in 1998. As such, I would like to voice my strong support for the ratification of Senate Bill 11.

Kindest regards,



Stephen E. Greer