

ALASKA STATE LEGISLATURE

House Labor & Commerce Committee



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Sponsor Statement

House Bill 406

"An Act relating to the validity of trusts involving persons sanctioned by the United States Department of the Treasury; and relating to the recording of documents conveying land to persons sanctioned by the United States Department of the Treasury."

HB 406 updates Alaska trust law to ensure trusts held or managed by enemies of the United States can no longer operate in the State of Alaska. The bill also prohibits these individuals from acquiring real property in Alaska.

Since the invasion of Norway in 1940 by Nazi Germany, the U.S. Treasury Department has used its economic powers to block assets of enemies of the United States. The U.S. government has expanded on these financial tools, most recently with the 2016 Global Magnitsky Act. Named for Sergei Magnitsky -- Ukrainian-born Russian whistleblower who died of wounds sustained while imprisoned in 2009 -- the law enables the U.S. Treasury to freeze assets of any individual persons determined to play a role in compromising the security of the United States or its allies.

Such sanction regimes, targeting individuals rather than an entire country -- are unique from those employed by the U.S. Department of Commerce. They are designed to follow the complex patterns of financial secrecy often employed by the most corrupt of the global elite.

Since the February 24 invasion of the sovereign nation of Ukraine by Russia's military, Congress and numerous states have worked quickly to rebuke Russia's efforts by cutting off commerce. Global leaks of financial information, such as those released in the October 2021 "Pandora Papers," reveal that Alaska is one of five U.S. states whose trust industries could effectively conceal the assets and accounts of some of the world's most corrupt and violent leaders.

HB 406 trues up Alaska's trust laws with emerging federal transparency standards. By naming the Office of Foreign Assets Control (OFAC) sanctions list in statute, the bill is designed to remain flexible to changing global, geopolitical conditions.

HB 406 protects Alaskans' access to services provided by trusts while ensuring foreign adversaries can not hide their wealth in Alaska.