

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 2, 2022

5:22 p.m.

MEMBERS PRESENT

Representative Zack Fields, Co-Chair (via teleconference)
Representative Ivy Spohnholz, Co-Chair
Representative Calvin Schrage
Representative Liz Snyder (via teleconference)
Representative David Nelson
Representative James Kaufman
Representative Ken McCarty

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 131(TITLE AM)

"An Act relating to the presumption of compensability for a disability resulting from certain cancers in firefighters."

- HEARD & HELD

CS FOR SENATE BILL NO. 11(JUD)

"An Act relating to community property and to community property trusts; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 131

SHORT TITLE: WORKERS' COMP DISABILITY FOR FIREFIGHTER

SPONSOR(s): SENATOR(s) HOLLAND

04/28/21	(S)	READ THE FIRST TIME - REFERRALS
04/28/21	(S)	CRA, L&C
05/06/21	(S)	CRA AT 3:30 PM BELTZ 105 (TSBldg)
05/06/21	(S)	Heard & Held
05/06/21	(S)	MINUTE(CRA)
05/11/21	(S)	CRA AT 3:30 PM BELTZ 105 (TSBldg)
05/11/21	(S)	-- MEETING CANCELED --
05/13/21	(S)	CRA AT 3:30 PM BELTZ 105 (TSBldg)

05/13/21 (S) Moved SB 131 Out of Committee
 05/13/21 (S) MINUTE(CRA)
 05/14/21 (S) CRA RPT 2DP 2NR
 05/14/21 (S) DP: HUGHES, GRAY-JACKSON
 05/14/21 (S) NR: MYERS, WILSON
 05/14/21 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 05/14/21 (S) Moved SB 131 Out of Committee
 05/14/21 (S) MINUTE(L&C)
 05/17/21 (S) L&C RPT 4DP
 05/17/21 (S) DP: COSTELLO, MICCICHE, GRAY-JACKSON,
 STEVENS
 05/18/21 (S) TRANSMITTED TO (H)
 05/18/21 (S) VERSION: SB 131(TITLE AM)
 05/19/21 (H) READ THE FIRST TIME - REFERRALS
 05/19/21 (H) L&C
 02/02/22 (H) L&C AT 5:15 PM BARNES 124

BILL: SB 11

SHORT TITLE: COMMUNITY PROPERTY TRUSTS

SPONSOR(s) : SENATOR(s) BEGICH

01/22/21 (S) PREFILE RELEASED 1/8/21
 01/22/21 (S) READ THE FIRST TIME - REFERRALS
 01/22/21 (S) L&C, JUD
 03/10/21 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 03/10/21 (S) -- MEETING CANCELED --
 03/12/21 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 03/12/21 (S) Heard & Held
 03/12/21 (S) MINUTE(L&C)
 03/19/21 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 03/19/21 (S) Moved SB 11 Out of Committee
 03/19/21 (S) MINUTE(L&C)
 03/22/21 (S) L&C RPT 4DP
 03/22/21 (S) DP: COSTELLO, GRAY-JACKSON, STEVENS,
 HOLLAND
 05/05/21 (S) JUD AT 1:30 PM BUTROVICH 205
 05/05/21 (S) Heard & Held
 05/05/21 (S) MINUTE(JUD)
 05/10/21 (S) JUD AT 1:30 PM BUTROVICH 205
 05/10/21 (S) Moved CSSB 11(JUD) Out of Committee
 05/10/21 (S) MINUTE(JUD)
 05/11/21 (S) JUD RPT CS 3DP 2NR SAME TITLE
 05/11/21 (S) DP: HOLLAND, HUGHES, KIEHL
 05/11/21 (S) NR: MYERS, SHOWER
 05/17/21 (S) TRANSMITTED TO (H)
 05/17/21 (S) VERSION: CSSB 11(JUD)
 05/18/21 (H) READ THE FIRST TIME - REFERRALS

05/18/21 (H) L&C, JUD
02/02/22 (H) L&C AT 5:15 PM BARNES 124

WITNESS REGISTER

SENATOR ROGER HOLLAND
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, discussed SB 131(TITLE AM) via a PowerPoint presentation, "Senate Bill 131 WORKERS' COMPENSATION DISABILITY FOR FIREFIGHTERS."

NIKKI ROSE, Chief of Staff
Senator Roger Holland
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of Senator Holland, prime sponsor of SB 131(TITLE AM), provided the sponsor statement and a sectional analysis of the bill.

JUSTIN MACK, Southcentral Vice President
Alaska Professional Firefighters Association
Anchorage, Alaska

POSITION STATEMENT: During the hearing on SB 131(TITLE AM), provided invited testimony in support of the bill.

SENATOR TOM BEGICH
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As the prime sponsor of CSSB 11(JUD), discussed the history behind, and provisions of, the bill.

TREVOR BAILLY, Staff
Senator Tom Begich
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided the sponsor statement and sectional analysis for CSSB 11(JUD) on behalf of Senator Begich, prime sponsor of the bill.

MATTHEW BLATTMACHR, President and CEO
Peak Trust Company
Anchorage, Alaska

POSITION STATEMENT: Provided invited testimony in support of CSSB 11(JUD).

ABIGAIL O'CONNOR, Attorney

O'Connor Law LLC
Alaska Trust & Estate Professionals Inc. (ATEP)
Anchorage, Alaska

POSITION STATEMENT: Provided invited testimony in support of
CSSB 11(JUD).

ACTION NARRATIVE

[5:22:30 PM](#)

CO-CHAIR IVY SPOHNHOLZ called the House Labor and Commerce Standing Committee meeting to order at 5:22 p.m. Representatives Kaufman, McCarty, Fields (via teleconference), Snyder (via teleconference), Nelson, and Spohnholz were present at the call to order. Representative Schrage arrived as the meeting was in progress.

SB 131-WORKERS' COMP DISABILITY FOR FIREFIGHTER

[5:23:15 PM](#)

CHAIR SPOHNHOLZ announced that first order of business would be SENATE BILL NO. 131(TITLE AM), "An Act relating to the presumption of compensability for a disability resulting from certain cancers in firefighters."

CO-CHAIR SPOHNHOLZ reminded members that SB 131(TITLE AM) is similar to Representative Kaufman's bill [HB 204, which was reported from the committee on 5/17/21].

[5:24:09 PM](#)

SENATOR ROGER HOLLAND, Alaska State Legislature, as prime sponsor of SB 131(TITLE AM), stated that the subject of breast cancer coverage for fire service members initially struck him as a complicated topic, but the more he looked at the subject the simpler the argument became. He said he hopes to convey what a clear and justified request this is.

[5:25:03 PM](#)

NIKKI ROSE, Chief of Staff, Senator Roger Holland, Alaska State Legislature, on behalf of Senator Holland, prime sponsor of SB 131(TITLE AM), provided the sponsor statement and a sectional analysis of the bill. She paraphrased from the sponsor statement, which read [original punctuation provided with some formatting changes]:

Firefighting is an inherently dangerous job. It is important that workers compensation insurance provides coverage for the inherent risks in that job, but right now there is a hole in that coverage: breast cancer.

This bill would add breast cancer to the list of presumed disability coverages for firefighters, so long as the firefighter could establish medically that the breast cancer was caused by work as a firefighter.

Instances of cancer in firefighters is shown to be higher than the general population. Studies that have evaluated cancer risk among women firefighters suggest women firefighters, like their male coworkers, may be at an elevated risk for overall cancer incidence (Daniels et al., 2014). These studies also suggest women firefighters may be at an elevated incidence risk for breast cancer (Daniels et al., 2014). This bill protects not only women, because exposure to carcinogenic chemicals, which is sometimes necessary in the course of a firefighter's job, does not discriminate based on sex or gender. Exposure to these chemicals may be mitigated, but not eliminated, through protective equipment. Firefighters are at a higher risk of cancer, and this risk should be covered.

Thank you for your consideration of the addition of breast cancer to the list of presumed disability coverages for firefighters.

[5:26:36 PM](#)

CO-CHAIR SPOHNHOLZ noted that men can get breast cancer as well as women.

[5:26:48 PM](#)

MS. ROSE provided the sectional analysis of SB 131(TITLE AM). She said the bill relates to the presumption of compensability for disabilities resulting from certain diseases for firefighters. She explained that Section 1 of the bill amends AS 23.30.121(b) by adding the term "breast cancer" to the list of cancers. Section 2 of the bill clarifies this change applies to claims made on or after the effective date of this Act.

[5:27:45 PM](#)

SENATOR HOLLAND thanked the co-chair for reminding members that breast cancer is not limited to women, which is what makes this an easy argument. He pointed out that women make up about 4 percent of the fire service workforce in Alaska, so it is hard to make a statistical decision on whether breast cancer coverage would be justified. But, he continued, male firefighters are 7.5 times more likely to die of breast cancer than their male counterparts not in the fire service.

SENATOR HOLLAND began a PowerPoint presentation, "Senate Bill 131 WORKERS' COMPENSATION DISABILITY FOR FIREFIGHTERS." He displayed slide 2, "SB 131," and stated that firefighting is an inherently dangerous job and currently there is an oversight [in Alaska statutes] regarding [workers compensation insurance coverage] for breast cancer. He moved to slide 3, "Senate Bill 131," and said the bill would add breast cancer to the list of presumed disability coverages. He turned to slide 4 and related that instances of cancer in firefighters are higher than that of the general public, which is why there is a list of presumed disability coverages. Studies suggest women firefighters may also be at an elevated incidence of risk for breast cancer.

SENATOR HOLLAND addressed slides 5 and 6, "General Statistics." Paraphrasing from slide 5, he specified that in the general population, less than one percent of males are likely to develop breast cancer in their lifetime, yet male firefighters are 7.5 times more likely to die from breast cancer than their non-fire service counterparts. The same mechanism that would cause increases in breast cancer in men is thought to result in proportional increases in risk among women. Paraphrasing from slide 6, he further specified that in the general population, one in eight women (12 percent) will likely contract breast cancer in their lifetime. The bill protects not only women, because exposure to carcinogenic chemicals, which often occurs in the normal course of a firefighter's job, does not discriminate based on gender.

SENATOR HOLLAND continued to slides 7 and 8, "Presumptive Laws." Speaking from slide 7, he explained that presumptive laws are regulations that assume a given disease is linked, by default, to a specific occupation. This means that when someone is diagnosed with an illness covered under a presumptive law, he or she is automatically entitled to disability or workers' compensation, medical expense coverage, and medical leave, provided certain criteria are met. Speaking from slide 8, he

further explained that without presumptive laws, to get these benefits firefighters and other workers may have to prove that their line of work caused their disease.

SENATOR HOLLAND reviewed slide 9, "Alaska Statute 23.30.121." He pointed out that under SB 131(TITLE AM), breast cancer would join the current list of presumptive diseases for firefighting in Alaska, which includes: respiratory disease, cardiovascular events, primary brain cancer, malignant melanoma, non-Hodgkin's lymphoma, bladder cancer, ureter cancer, kidney cancer, and prostate cancer.

SENATOR HOLLAND displayed slide 10, "Presumptive Laws." He continued to slides 11 and 12, "Alaska Statute 23.30.121," and said more work may need to be done in this area. Speaking to slide 11, he explained that once breast cancer is added to the list of presumptive diseases, several criteria [standard limitations] would apply. The firefighter must: 1) have been a firefighter for at least seven years; 2) have had initial and annual medical exams showing no evidence of disease for those seven years; 3) be able to demonstrate exposure to a known carcinogen while in the fire service; and 4) at a minimum, be certified as a Firefighter I. Speaking to slide 12, he outlined the other qualifying criteria or conflicts that would apply. He said coverage may be denied based on use of tobacco products; physical fitness and weight, lifestyle decisions, hereditary factors, [and exposure from other employment/non-employment activities]. Some post-employment coverage is available where a firefighter accrues three months of coverage for every year of service up to a five-year maximum.

SENATOR HOLLAND showed slide 13, "Senate Bill 131," and noted that 14 states include breast cancer in presumptive laws: Arizona, Arkansas, Colorado, Idaho, Iowa, Maine, Maryland, Missouri, Montana, New Mexico, New York, Oregon, Virginia, and Wisconsin. He said he would appreciate the committee adding Alaska as the fifteenth state.

[5:32:01 PM](#)

CO-CHAIR FIELDS thanked the sponsors of the companion bills. He said it is a reality that cancer is more likely for firefighters, and it should be recognized given their service.

[5:32:40 PM](#)

REPRESENTATIVE NELSON noted that the bill has a zero fiscal note because this is workers' compensative coverage that firefighters pay for themselves.

5:33:20 PM

CO-CHAIR SPOHNHOLZ opened invited testimony.

5:33:43 PM

JUSTIN MACK, Southcentral Vice President, Alaska Professional Firefighters Association, provided invited testimony in support of SB 131(TITLE AM). He noted that the Alaska Professional Firefighters Association represents about 500 fire and emergency medical service (EMS) professionals. He said he has worked for the Anchorage Fire Department for 10 years and currently serves as a captain and as state director for the firefighter cancer support network, a peer-to-peer cancer support program.

MR. MACK stated that a firefighter's job is routine until it isn't. The tones go off at 2:00 a.m. and minutes later firefighters find themselves in a building they've never been in with heavy smoke, fire, and zero visibility. The calls are routine until the report of multiple victims trapped in a multi-family structure, and the firefighters are the difference in whether the victims will see another day. While these calls are anything but routine, it is the career a firefighter has chosen and loves to do. All firefighters know that this career can be dangerous, it simply isn't safe to walk into a burning building.

MR. MACK related that early in his career he learned that good training and tactics can help keep a firefighter safe. What he failed to understand, however, is that no matter how careful he is as a firefighter, even if he follows every standard operating guideline, decontaminates himself and his equipment, and wears the most up-to-date personal protection equipment (PPE), he will be exposed to some of the worst chemicals on earth. These chemicals permeate a firefighter's gear, make their way into the firefighter's pores, and then linger. This is the reason that after a significant structure fire firefighters will for days smell it on themselves after a shower as their pores open up and start to release some of those chemicals.

MR. MACK explained that Alaska's workers' compensation usually requires that a specific injury be tied to a specific event. In a case of cancer, it's very hard to say which structure fire may have caused the cancer, but study after study shows that

firefighters have a significant increase in cancer rates when compared to the general public. An unusual phenomenon occurs in the fire service - firefighters come there as some of the healthiest amongst the population but often retire as some of the unhealthiest. Twenty to thirty years at this job takes a toll and for some that's a life changing cancer diagnosis.

MR. MACK said SB 131(TITLE AM) is a step in the right direction in advocating for public safety members who, while knowing the risk, continue to respond at 2:00 a.m. He urged the committee to support the bill.

[5:36:42 PM](#)

REPRESENTATIVE MCCARTY asked whether Mr. Mack believes that language should be included in the bill about a documentation procedure for verifying exposure to a carcinogen. That way, he continued, documentation about carcinogen exposure would already be in place should a firefighter be diagnosed with cancer.

MR. MACK replied that reporting is done for every run done by a firefighter. Specifically for structure fires, he said, there is an inherent understanding of a long list of chemicals that a firefighter could reasonably expect to have been exposed. The issue that states often run into with workers' compensation is this language of tying it to one specific event, he advised. Presumptive takes a firefighter's career and his or her reporting documentation so a reasonable assumption can be made that this person got cancer at a younger age or a very rare type of cancer. This is a personal issue, Mr. Mack continued, as his mother-in-law developed a rare blood cancer after 25 years of being a firefighter. She was one of the first people to go through some of this presumptive fight and the documentation of the call volume that she had over 25 years was helpful. The presumptive legislation and just making the assumption is what was especially beneficial in getting her covered through workers' compensation.

[5:39:39 PM](#)

CO-CHAIR SPOHNHOLZ inquired about the types of carcinogens that are commonly known to be present in a typical structure fire.

MR. MACK said he would send the committee a comprehensive list of the [chemicals] that firefighters are reasonably expected to be exposed to, as well as the ones it is thought that firefighters are exposed to. For each chemical the list will

also state the household items that the chemical is found in and the type(s) of cancers specifically that those relate to.

[5:40:27 PM](#)

REPRESENTATIVE NELSON, regarding documentation, asked whether it is assumed that when responding to a house or other structure fire a firefighter is going to be exposed to certain chemicals or whether a test is done afterwards to determine exposure.

MR. MACK replied it is assumed and that testing is not typically done. However, he continued, several studies have been done. One study, which he said he would provide to the committee, put a firefighter through a structure fire while using all the up-to-date PPE and decontamination procedures. Urinary testing was then done for the week following that structure fire and significant amounts of carcinogens were found in decreasing amounts over five to seven days. As well, carcinogens were found on the skin for a couple days.

REPRESENTATIVE NELSON asked whether contamination on the skin is a problem that is related to the equipment or decontamination, or that over 25 years a firefighter is going to have it.

MR. MACK replied that some of these carcinogens permeate through the multiple layers of gear, plus for every one degree increase in body temperature there is a 400 percent increase in pore size and absorption. When operating in a structure fire of 500-1000 degrees, a firefighter's body temperature gets elevated and skin pores open, and this is when these carcinogens are in the air and going directly through the firefighter's gear and directly into his or her pores. Firefighters are aware that this exists and that even with significant improvements in PPE it is still a risk. But if there is a fire in a house or a rescue that needs to be done, firefighters are going to go in and do it.

[5:44:04 PM](#)

CO-CHAIR SPOHNHOLZ remarked that there are limits to modern technology's ability to protect a person from smoke and chemicals. The evidence on this matter is substantial, she continued, as male firefighters are 7.5 times more likely and female firefighters 4 times more likely to get breast cancer than males and females in the general population. She offered her appreciation to the sponsor for bringing forth the bill.

CO-CHAIR SPOHNHOLZ announced that SB 131 was held over.

SB 11-COMMUNITY PROPERTY TRUSTS

[5:45:25 PM](#)

CO-CHAIR SPOHNHOLZ announced that the final order of business would be COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 11(JUD), "An Act relating to community property and to community property trusts; and providing for an effective date."

[5:45:51 PM](#)

SENATOR TOM BEGICH, Alaska State Legislature, as the prime sponsor of CSSB 11(JUD), recounted that major legislation on trusts was signed into law in 1997, and that soon afterward, House Bill 199 by Representative Joe Ryan was passed, which provided that a couple can opt to put their assets into a community trust. Representative Ryan testified at the time that a positive element of House Bill 199 was that on behalf of the estate of a person in a community trust who has died, there would be no tax liability on any appreciation in the basis (the value of an asset at the time of purchase). Representative Ryan's testimony indicated that appreciation of the asset was critical in what he was trying to do. The intent in 1997 was that if a married couple put assets into a community trust and then 25 years later one dies before the other, the value of the assets in that community trust would include the appreciation as one of those assets.

SENATOR BEGICH explained, however, that a recent court decision created ambiguity about that intent when the decision indicated that the value of the asset was the value at the time of the community trust as opposed to being the value of the asset accrued over time. He said CSSB 11(JUD) clarifies that the income and appreciation combined is what was intended by the author of the original bill; if enacted, it incorporates those elements of the Uniform Marital Property Act that were already said would be incorporated. It is an elect an option, it is not mandatory like some of the community property states. To not create constitutional issues with retroactivity, CSSB 11(JUD) includes a savings clause, thereby effectively reminding people what the meaning was back when the law passed. The bill is designed such that it would not affect any litigation that may be pending, or any litigation entered prior to CSSB 11(JUD) becoming law. The bill fixes a mistake in interpretation. When there is an ambiguity in any interpretation, the court often

looks to the legislature to correct or clarify that ambiguity, which is what CSSB 11(JUD) does.

5:50:28 PM

TREVOR BAILLY, Staff, Senator Tom Begich, Alaska State Legislature, provided the sponsor statement and sectional analysis for CSSB 11(JUD) on behalf of Senator Begich, prime sponsor of the bill. He paraphrased from the sponsor statement, which read [original punctuation provided]:

Alaska is a state with favorable trust laws and favorable laws for property ownership between spouses. Alaska allows for "opt in" community property ownership between married spouses. Community property ownership can provide tremendous tax advantages to spouses. In Alaska, residents can enter into community property agreements, and residents and nonresidents can enter into Alaska community property trusts. This benefits the individuals entering these agreements, the trust industry of Alaska, increases deposits in Alaska banks and through the revenue generated by the formation of a new trust, the state.

Community property is simply a way to own joint property. A common way to enter a community property agreement is in conjunction with one's spouse. Each party must elect into this agreement and the agreement provides, most commonly, equal ownership and management of specific property.

Currently, community property has a significant tax advantage. When a spouse dies, community property is placed into a category that allows tax advantages when that property is sold.

To realize these advantages, appreciation and income must be characterized as community property.

The default rule has generally been that appreciation and income on community property will be characterized as community property, unless otherwise declared in the community property trust. Trust attorneys have attested to this interpretation, however recent court rulings have created an ambiguous understanding of this general criterion. This legislation, consistent with industry understandings of trusts, seeks to

clearly define community property as including appreciation and income on community property.

SB 11 establishes a clear definition of appreciation and income as community property, as intended by The Community Property Trust Act. Portions of this legislation also have a retroactive effective date of May 23, 1998.

[5:53:05 PM](#)

MR. BAILLY next paraphrased from the sectional analysis, which read [original punctuation provided]:

Section 1. Clarifies intent of subsection (h) under AS 34.77.030 to ensure any financial gains directly related to appreciation of community property trusts are treated as community property unless legal trust documents clearly state otherwise.

Section 2. Adds a new subsection under AS 34.77.030 to retroactively apply the above changes in statute to community property trust agreements established on or after May 23, 1998. This section also applies an existing statutory definition of "community property trust."

Section 3. Adds as a new uncodified law of the State of Alaska to ensure above changes do not impact court actions or proceedings that began before Section 1 of this Act takes effect.

Section 4. Establishes a retroactivity date of Section 1 of this Act as May 23, 1998.

Section 5. States Section 1 and Section are immediately effective upon passage of this legislation.

[5:54:20 PM](#)

CO-CHAIR SPOHNHOLZ shared her understanding that the bill as written would not nullify previously taken court action, but it would allow currently existing community property trusts to have that appreciation incorporated into the value moving forward.

SENATOR BEGICH confirmed that that understanding is correct.

[5:54:52 PM](#)

REPRESENTATIVE MCCARTY drew attention to the sponsor statement, first paragraph, fourth line, which states that residents and nonresidents can enter Alaska community property trusts. He inquired about how far reaching the ability is for nonresidents to be involved in this.

SENATOR BEGICH replied that that has been allowed under the law since 1998. He recounted that Representative Ryan talked about there being 41 states (at that time) that were not mandatory community property states. Those 41 states have had the ability to take advantage of Alaska's laws since passage of the original [Community Property Trust Act], otherwise Alaska would probably be in violation of the commerce clause of the federal constitution. So, residents and nonresidents are mentioned because the community property trusts are open. Senator Begich pointed out that this leads to an enhanced ability for people who don't live in Alaska to take advantage of the state's community property trust law, which increases income into Alaska and provides some support for the banking systems in the state. It makes Alaska an attractive place to enter a community trust if someone wishes, so CSSB 11(JUD) creates an incentive. Not having this bill in place, and having the ambiguity, acts as a disincentive so that people are disinclined to come to Alaska to start their community trust if they choose to have one.

[5:57:08 PM](#)

REPRESENTATIVE SCHRAGE requested an explanation of the effective date.

SENATOR BEGICH responded that there are two effective dates in the bill. The first effective date, which is Section 4, is the retroactivity clause that is an effective date. The second only deals with Sections 1 and 4 of the Act to ensure that the retroactivity becomes effective on passage of the effective date. A trigger must be had to make the retroactivity become effective; in Section 1 an effective date is not needed for the other two, so just Sections 1 and 4 are immediate.

REPRESENTATIVE SCHRAGE asked why beginning in 1998.

SENATOR BEGICH answered that that's the date when the law became effective immediately.

[5:58:47 PM](#)

SENATOR BEGICH noted that Linda Hulbert, an invited testifier who may or may not be online, has a financial relationship in a trust relationship with a member of his staff. He stated that has had no impact and is not it a reason why this legislation was considered.

CO-CHAIR SPOHNHOLZ responded that Ms. Hulbert is not online.

CO-CHAIR SPOHNHOLZ [opened invited testimony on CSSB 11(JUD)].

[5:59:30 PM](#)

MATTHEW BLATTMACHR, President and CEO, Peak Trust Company, provided invited testimony in support of CSSB 11(JUD). He said he personally supports the bill, as does Peak Trust Company. He said thousands of Alaskans, if not tens of thousands, have utilized this provision in Alaska statutes for the last 25 years. The intent of all those plans was that accumulation of income and appreciation would be included in community property. This bill corrects an error and gets things back to what was originally intended.

[6:00:59 PM](#)

ABIGAIL O'CONNOR, Attorney, O'Connor Law LLC, Alaska Trust & Estate Professionals Inc. (ATEP), provided invited testimony in support of CSSB 11(JUD). She said she represents numerous clients in Alaska who have community property trusts. Having appreciation and income also be community property, she continued, is a critical element of the whole community property structure and planning, without it there is not much point to doing it. It is critical that appreciation and income also be community property. She said she supports CSSB 11(JUD) because going forward trusts can be written to include this language; however, given the court ruling, trusts created prior to this time may not have that language and the bill solves that problem for those Alaskans.

[6:02:45 PM](#)

CO-CHAIR SPOHNHOLZ [held over CSSB 11(JUD)].

[6:03:27 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 6:03 p.m.