

**ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

April 18, 2022

3:21 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Representative David Nelson
Representative Ken McCarty

COMMITTEE CALENDAR

HOUSE BILL NO. 404

"An Act repealing the requirement that the Alaska Housing Finance Corporation make a dividend available to the state, and repealing associated definitions."

- HEARD & HELD

HOUSE BILL NO. 405

"An Act relating to the establishment of trusts; requiring the filing of certain trust information; and requiring compliance with a federal law."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 404

SHORT TITLE: REPEAL AK HOUSING FINANCE CORP. DIVIDEND

SPONSOR(S): LABOR &

04/04/22	(H)	READ THE FIRST TIME - REFERRALS
04/04/22	(H)	L&C, FIN
04/04/22	(H)	L&C AT 3:15 PM BARNES 124
04/04/22	(H)	<Bill Hearing Canceled>
04/18/22	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 405

SHORT TITLE: ESTABLISHMENT OF TRUSTS
SPONSOR(s): LABOR & COMMERCE

04/04/22	(H)	READ THE FIRST TIME - REFERRALS
04/04/22	(H)	L&C
04/08/22	(H)	L&C AT 9:00 AM BARNES 124
04/08/22	(H)	-- MEETING CANCELED --
04/15/22	(H)	L&C AT 9:00 AM BARNES 124
04/15/22	(H)	Heard & Held
04/15/22	(H)	MINUTE(L&C)
04/18/22	(H)	L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

CHELSEA WARD-WALLER, Staff
Representative Ivy Spohnholz
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of Representative Spohnholz, prime sponsor, explained the proposed changes for HB 404, Version I.

EVAN ANDERSON, Staff
Representative Zack Fields
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of Representative Fields, prime sponsor, presented the summary of changes for HB 405, Version B.

ACTION NARRATIVE

[3:21:11 PM](#)

CO-CHAIR IVY SPOHNHOLZ called the House Labor and Commerce Standing Committee meeting to order at 3:21 p.m. Representatives Spohnholz, Kaufman, Snyder (via teleconference) and Fields (via teleconference) were present at the call to order. Representative Schrage (via teleconference) arrived as the meeting was in progress.

HB 404-REPEAL AK HOUSING FINANCE CORP. DIVIDEND

[3:22:24 PM](#)

CO-CHAIR SPOHNHOLZ announced that the first order of business would be HOUSE BILL NO. 404, "An Act repealing the requirement

that the Alaska Housing Finance Corporation make a dividend available to the state, and repealing associated definitions."

[3:22:40 PM](#)

CO-CHAIR FIELDS moved to adopt the proposed committee substitute (CS) for HB 404, Version 24-LS1638\I, Klein, 4/15/22, as the working document. There being no objection, Version I was before the committee.

[3:22:59 PM](#)

CHELSEA WARD-WALLER, Staff, Representative Ivy Spohnholz, Alaska State Legislature, on behalf of Representative Spohnholz, prime sponsor, explained that the proposed HB 404 would repeal the Alaska Housing Finance Corporation dividend, while the CS would direct the dividend to be used towards affordable workforce housing. She explained that the proposed CS is follow-up legislation from the committee's March 25 meeting on affordable housing.

[3:23:49 PM](#)

CO-CHAIR SPOHNHOLZ explained that the CS was crafted after a discussion with Bryan Butcher, the CEO of the Alaska Housing Finance Corporation. She noted that one of the suggestions had been to increase the investment in housing.

[HB 404 was held over.]

HB 405-ESTABLISHMENT OF TRUSTS

[3:25:08 PM](#)

CO-CHAIR SPOHNHOLZ announced that the final order of business would be HOUSE BILL NO. 405, "An Act relating to the establishment of trusts; requiring the filing of certain trust information; and requiring compliance with a federal law."

[3:25:12 PM](#)

CO-CHAIR FIELDS moved to adopt the proposed committee substitute (CS) for HB 405, Version 32-LS1620\B, Bannister, 4/14/22, as the working document. There being no objection, Version B was before the committee.

[3:25:32 PM](#)

EVAN ANDERSON, Staff, Representative Zack Fields, Alaska State Legislature, on behalf of Representative Fields, prime sponsor, offered the summary of changes for HB 405, Version B [hard copy included in the committee packet]. He explained that the changes largely came about from suggestions from various stakeholders. He pointed out that the major changes provided more clarity in the statute. He paraphrased from the summary of changes [copy included in the committee packet], which read as follows [original punctuation provided]:

1. Ver G: p 1. Line 1. Amends bill title to include "relocation of foreign trusts"
2. Ver G: p 1. Line 2. Amends bill title to include "relating to trusts"
3. Ver G: p 2. lines 1, 4. Re-words Section 1 to clarify the court filing requirements for trust establishment. Requires disclosure of an address for both corporate and individual trustees.
4. Ver G: p 2. lines 8, 11-13. adds "or relocation of trust" to expand DCCED's statutory authority to treat trusts relocating to the State of Alaska as new trusts & require both new and relocating trusts to submit beneficial ownership information.
5. Ver G: p 2. Line 15. Requires disclosure of the "trust address"
6. Ver G: p 2. Lines 17-18. Adds a new line to require disclosure of information for the person filing the trust establishment document, previously, "applicant." Lines 19-31. Requires disclosure for this person of the legal name, address, alias, state or country of organization, and a legal identifier, such as a Tax ID number.
7. Ver G: p 3. Lines 1-9. Provides definitions and requires disclosure of name and address for the following categories: trustee, protector, beneficiary, grantor, and settlor.
8. Ver G: p 3. Lines 10-11. Requires disclosure of any other name of the trust being established.

9. Ver G: p 3. Lines 15-22. Requires disclosure of changes to the legal structure of a trust within 30 days. This change will keep DCCED's registry of beneficial ownership information current. Establishes a \$500 fine for non-compliance.

10. Ver G: p 3. Lines 26-28. Allows DCCED to share information with another department or division for enforcement and verification purposes.

11. Ver G: p 3. Lines 29-31. Classifies all new and relocating trusts as "reporting company" to align with federal regulatory framework.

12. Ver G: p 4. Lines 4-5. Provides a definition for "address." 13. Ver G: p 4. Lines 16-19. Conforming change to Section A of this statute; confirms eligibility of foreign trusts to establish in the State of Alaska.

14. Ver G: p 4. Lines 20-23. Conforming change to Section C of this statute; confirms eligibility of foreign trusts to establish in the State of Alaska.

15. Ver G: p 4. Lines 27-30. Defines and exempts 'testamentary trusts' created prior to the effective date of this legislation from the new reporting framework. All testamentary trusts established by wills filed after the effective date of this legislation will be subject to the new reporting requirements.

[3:32:36 PM](#)

CO-CHAIR SPOHNHOLZ announced that HB 405 was held over.

[3:33:39 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 3:33 p.m.