

# Alaska State Legislature



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## **Representative Lesil McGuire** District 17

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## **House Passes McGuire's Perpetuities Bill** **HB 34 Changes Trust Law to Keep Alaska Attractive to Investors**

(JUNEAU) – Alaska's stature as one of the most attractive states in which to establish trusts would remain undiminished under a bill passed unanimously by the House on Tuesday.

Sponsored by Rep. Lesil McGuire (R-Anchorage), House Bill 34 makes technical changes in Senate Bill 162, passed into law by the Twenty-First Alaska Legislature. That bill had the unintended effect of creating immediate tax liabilities for people who were the beneficiaries of a generation-skipping trust and who tried to exercise non-general powers of appointment to pass those trust assets along to others, she said.

"To maintain Alaska's position as a leader in trusts, our trust laws need to be a model of clarity," McGuire said. "As with most technically complex areas, trust law legislation must evolve to meet its originally intended purpose."

HB 34 would clarify the wording and application of SB 162 in making the same distinction that the common law has made between a "presently exercisable general power of appointment" and "testamentary general power of appointment."

By maintaining Alaska's desirability as a state in which to establish perpetual trusts, the bill would help Alaska attract millions of dollars in bank deposits, investments, endowments or other assets that might otherwise migrate to more trust-friendly states, McGuire said.

HB 34 moves next to the Senate for consideration.

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