Sec. 13.36.157. Trustee's special power to appoint to other trust.

(a) Subject to (d) of this section, unless the terms of the instrument expressly provide otherwise, a trustee who has authority under the terms of an instrument or irrevocable inter vivos agreement to invade the principal of a trust for the benefit of a beneficiary who is eligible or entitled to the income of the trust may exercise without prior court approval the trustee's authority by appointing, whether or not there is a current need to invade the principal under any standard stated in the governing instrument, part or all of the principal of the trust in favor of a trustee of another trust under an instrument other than that under which the power to invade was created if the exercise of this authority

(1) does not reduce any fixed income interest of a beneficiary of the invaded trust;

(2) is in favor of the beneficiaries of the invaded trust;

(3) does not violate the limitations on validity under AS 34.27.051 or 34.27.100; and

(4) results, in the appointed trust, in a standard for invading principal that is the same as the standard for invading principal in the invaded trust.

(b) This section applies to a trust governed by the laws of this state, including a trust

(1) whose governing jurisdiction is transferred to this state; or

(2) that has a trustee who is a qualified person, if the majority of the trustees sign an instrument that

(A) provides that the primary administration of the trust will be located in this state; and

(B) is acknowledged under AS 09.63 or the equivalent provision of the laws of another jurisdiction.

(c) The exercise of the power to invade the principal of a trust under (a) of this section is considered to be the exercise of a special power of appointment.

(d) The governing instrument of an appointed trust may provide that, after a time or an event specified in the governing instrument, the trust assets of the appointed trust remaining after the time or event shall be held for the benefit of the beneficiaries of the invaded trust on terms and conditions regarding the nature and extent of the interests of the beneficiaries of the invaded trust that are substantially identical to the terms and conditions governing the interests of the beneficiaries in the invaded trust.

(e) In this section,

(1) "appointed trust" means the trust to which principal is appointed under (a) of this section;

(2) "invaded trust" means the trust whose principal is invaded under (a) of this section.