

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 28, 2014

3:33 p.m.

MEMBERS PRESENT

Representative Kurt Olson, Chair
Representative Bob Herron
Representative Andy Josephson
Representative Craig Johnson

MEMBERS ABSENT

Representative Lora Reinbold, Vice Chair
Representative Mike Chenault
Representative Charisse Millett
Representative Dan Saddler

COMMITTEE CALENDAR

HOUSE BILL NO. 288

"An Act creating the Arctic infrastructure development program and fund in the Alaska Industrial Development and Export Authority."

- HEARD & HELD

HOUSE BILL NO. 213

"An Act relating to golf course alcoholic beverage licenses."

- HEARD & HELD

HOUSE BILL NO. 282

"An Act relating to the rights and obligations of residential landlords and tenants; and relating to the taking of a permanent fund dividend for rent and damages owed to a residential landlord."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 288

SHORT TITLE: AIDEA: ARCTIC DEVELOPMENT PROGRAM/FUND

SPONSOR(S): REPRESENTATIVE(S) HERRON

01/29/14 (H) READ THE FIRST TIME - REFERRALS
01/29/14 (H) L&C, FIN
02/28/14 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 213

SHORT TITLE: GOLF COURSE ALCOHOLIC BEVERAGE LICENSES
SPONSOR(S): REPRESENTATIVE(S) THOMPSON

01/21/14 (H) PREFILE RELEASED 1/10/14
01/21/14 (H) READ THE FIRST TIME - REFERRALS
01/21/14 (H) L&C
02/10/14 (H) L&C AT 3:15 PM BARNES 124
02/10/14 (H) Moved CSHB 213(L&C) Out of Committee
02/10/14 (H) MINUTE (L&C)
02/28/14 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 282

SHORT TITLE: LANDLORD AND TENANT ACT
SPONSOR(S): REPRESENTATIVE(S) ISAACSON

01/29/14 (H) READ THE FIRST TIME - REFERRALS
01/29/14 (H) L&C, JUD
02/28/14 (H) L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

KONRAD JACKSON, Staff
Representative Kurt Olson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified on behalf of the House Labor and Commerce Standing Committee, Representative Olson on reasons to rescind action on HB 213.

BRODIE ANDERSON, Staff
Representative Steve Thompson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified on behalf of the sponsor, Representative Thompson.

SHIRLEY COTE, Executive Director
Alcoholic Beverage Control Board (ABC Board)
Department of Commerce, Community & Economic Development (DCCED)
Anchorage, Alaska

POSITION STATEMENT: Answered questions regarding HB 213.

BRENDA HEWITT, Staff
Representative Doug Isaacson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified on behalf of the sponsor,
Representative Isaacson, during the discussion of HB 282.

DON BULLOCK, Attorney
Legislature Legal Counsel
Legislative Legal Services
Legislature Affairs Agency
Juneau, Alaska

POSITION STATEMENT: Answered questions regarding HB 282.

REPRESENTATIVE DOUG ISAACSON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified as sponsor of HB 282.

NICK GASCA, Supervising Attorney
Alaska Legal Services Corporation (ALSC)
Fairbanks, Alaska

POSITION STATEMENT: Answered questions regarding HB 282.

PEGGYANN MCCONNOCHIE, Real Estate Broker
Alaska ACH Consulting
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 282.

ERROL CHAMPION, Director
Chair, Industry Issues
Alaska Association of Realtors (AAR)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 282.

LISA MARIOTTI, Policy Director
Alaska Network on Domestic Violence & Sexual Assault (ANDVSA)
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 282.

ACTION NARRATIVE

[3:33:11 PM](#)

CHAIR KURT OLSON called the House Labor and Commerce Standing
Committee meeting to order at 3:33 p.m. Representatives

Johnson, Josephson, Herron and Olson were present at the call to order.

HB 288-AIDEA: ARCTIC DEVELOPMENT PROGRAM/FUND

[3:33:32 PM](#)

CHAIR OLSON announced that the first order of business would be HOUSE BILL NO. 288, "An Act creating the Arctic infrastructure development program and fund in the Alaska Industrial Development and Export Authority."

[3:33:49 PM](#)

CHAIR OLSON explained the sponsor would like to have a proposed committee substitute (CS) considered which is in member's packets [not yet adopted]. Since the committee has not yet had sufficient time to review the draft - the committee requires amendments be submitted 24 hours prior to the hearing - the bill will be held over.

[HB 288 was held over.]

HB 213-GOLF COURSE ALCOHOLIC BEVERAGE LICENSES

[3:34:57 PM](#)

CHAIR OLSON announced that the next order of business would be HOUSE BILL NO. 213, "An Act relating to golf course alcoholic beverage licenses."

[3:35:53 PM](#)

REPRESENTATIVE JOHNSON made a motion to rescind the action to move the [CSHB 213(L&C)] from committee. There being no objection the action was rescinded. [HB 213, as amended, was now before the committee.]

[3:36:08 PM](#)

KONRAD JACKSON, Staff, Representative Kurt Olson, Alaska State Legislature, explained that on February 10, 2014 the committee took up HB 213. During that meeting Conceptual Amendment 1 was offered to change from "and" to "or" on page 2, line 11. Conceptual Amendment 1 was adopted and the bill was moved from committee [as the CSHB 213 (L&C)]. The [Legislative Legal Counsel] legal drafter explained that this small change may have

caused some unintended consequences, which would allow persons under the age of 16, unaccompanied by a person 21 or older, to enter a golf course restaurant or bar where liquor was being served. After conversations with each committee member and the bill sponsor, Representative Thompson, it was agreed this was not the intention of the amendment. The sponsor has developed alternate language to allow youth under the ages of 16 to play golf, unaccompanied by someone 21 years of age or older, on a golf course where a restaurant serving liquor is located, but not to enter a golf course restaurant or bar unaccompanied. Therefore, he recommended the committee rescind its action in adopting Conceptual Amendment 1.

CHAIR OLSON [the committee treated it as though he had previously objected and he] removed his objection.

[3:38:21 PM](#)

REPRESENTATIVE JOHNSON made a motion to rescind action on adopting Conceptual Amendment 1. There being no further objection, the motion to adopt Conceptual Amendment 1 was rescinded. [HB 213 was now before the committee.]

REPRESENTATIVE JOHNSON made a motion to adopt the proposed committee substitute (CS) for HB 213, labeled 28-LS0868\0, [Strasbaugh, 2/20/14,] as the working document [Version 0].

CHAIR OLSON objected for the purpose of discussion.

[3:39:01 PM](#)

BRODIE ANDERSON, Staff, Representative Steve Thompson, Alaska State Legislature, on behalf of the prime sponsor, Representative Steve Thompson, explained the changes in Version 0. He reiterated the importance of one word. He referred to page 1, lines 5-6, which adds language as follows, "from April 15 through November 15 of a calendar year." This language would essentially make the golf course liquor license a seasonal license, he said.

MR. ANDERSON next referred to page 2, lines 8-15, AS 04.16.049 (a) which adds language, as follows:

4) the premises are licensed under AS 04.11.115 and the person enters and remains on the licensed premises
(A) only for golfing; or

(B) only for dining, or for both golfing and dining, if

(i) the person is at least 16 years of age; or
(ii) the person is under 16 years of age, is accompanied by a person over 21 years of age, and the parent or guardian of the underage person consents.

MR. ANDERSON explained that this language definitely clarifies the issue of an underage minor golfing versus the minor eating at the golf course restaurant. He explained that proposed AS 04.16.049 (a) (4) (A) would allow the minor to be on the golf course to play golf. He explained that proposed AS 04.16.049 (a)](4)(B) would allow for dining or for both golfing and dining if (i) the person is at least 16 years of age; or [ii] the person is under 16 years of age, is accompanied by a person over 21 years of age, and the parent or guardian of the underage person consents. He further explained that this language would allow an underage person to be on the golf course for the purpose of golfing, but if the youth desires to eat in a restaurant the language complies with standard rules that require an adult accompany the youth.

[3:41:30 PM](#)

MR. ANDERSON returned to the change [on page 1, lines 5-6, which adds language as follows, "from April 15 through November 15 of a calendar year."]. He explained that this language also will limit the golf course liquor license to a seasonal license. This language was developed after much discussion about golf courses obtaining full beverages on golf courses since year round licensure may allow golf courses to compete with other establishments [that adhere to license requirements for a full beverage license.] This language represents a compromise to allow golf courses to move forward and serve full beverages on the course but not unintentionally compete year round with other establishments serving alcoholic beverages. For example, the value of a full beverage license in Anchorage could be up to \$200,000 and \$70,000 in Fairbanks.

The committee took a very brief at-ease.

[3:42:43 PM](#)

CHAIR OLSON stated the committee also just received a letter that addresses some of the concerns of the Alaska Cabaret, Hotel, Restaurant, & Retailer's Association (CHARR). He was unaware that CHARR was not supportive of the bill, but he noted

the Alcoholic Beverage Control Board (ABC Board) has weighed in and does not have any concerns. He asked whether the sponsor was aware of CHARR's issues with the bill.

MR. ANDERSON answered that during the debate he became aware of some issues related on the perceived value to the golf course liquor license, which would also be competing with the full liquor license; however, he was under the impression that a compromise had been achieved with respect to seasonal and full beverage service. He had understood that if a golf course wanted full beverage service off-season the owner would go through the process to obtain a full liquor license. He further understood that CHARR held an advisory meeting last night to discuss the issue.

CHAIR OLSON stated that to the best of his knowledge his office had not been contacted by CHARR. He reported that the ABC Board identified the issue which arose with the language change [in CSHB 213(L&C) that passed out of committee on 2/10/14] from "and" to "or."

[3:45:31 PM](#)

REPRESENTATIVE HERRON asked whether this current point has previously been taken up by the ABC Board.

[3:45:53 PM](#)

SHIRLEY COTE, Executive Director, Alcoholic Beverage Control Board, Department of Commerce, Community & Economic Development (DCCED), asked Representative Herron to repeat the question.

REPRESENTATIVE HERRON asked whether the ABC Board has had a similar situation arise, such that a seasonal operation versus year round operation [had issues on the type of beverage license and competition.]

MS. COTE stated that currently licensees apply for seasonal licenses for which the licensee would pay half of the biennial fee. She reported that currently four of the eight golf courses that have licenses are seasonal and the remaining four golf courses have year round licenses.

[3:46:56 PM](#)

CHAIR OLSON offered his belief that the issue is significant enough to hold the bill over.

[HB 213 was held over.]

The committee took an at-ease from 3:47 p.m. to 3:50 p.m.

HB 282-LANDLORD AND TENANT ACT

[3:50:08 PM](#)

CHAIR OLSON announced that the next order of business would be HOUSE BILL NO. 282, "An Act relating to the rights and obligations of residential landlords and tenants; and relating to the taking of a permanent fund dividend for rent and damages owed to a residential landlord."

REPRESENTATIVE HERRON moved to adopt the proposed committee substitute (CS) for HB 282, labeled 28-LS0930\O, Bullock, 2/22/14 as the working document.

CHAIR OLSON objected for purposes of discussion.

[3:51:11 PM](#)

BRENDA HEWITT, Staff, Representative Doug Isaacson, Alaska State Legislature, reviewed a section-by-section analysis of HB 282. The first three sections would remove the word "uniform" from the bill since the language is no longer part of the Uniform Residential Landlord Act (RTLA). She referred to Section 4, page 5, lines 7-9, noting "parties" is replaced with "landlord and tenant" for clarity. Section 5 would allow landlords to exceed a maximum prepaid rent for a pet deposit, which will be addressed further in Section 9. Section 6 includes a [provision] for normal wear and tear, which is defined in [Section 8] and addressed in Section 9 and Section 13. Section 7 would make a few technical changes and would specifically require a landlord to separately account for each tenant's prepaid rent and security deposits and restricts their use for the intended tenant's unit. She clarified that "separately accounting for" is a bookkeeping methodology and does not require separate bank accounts for each unit.

MS. HEWITT referred to page 6, lines 23-25 of Section 8, which is new language in Version 0. This would add language to allow landlords to have up to 30 days to refund a security deposit if damage has occurred, and landlords to obtain an estimate of costs prior to refunding the remaining deposit. Obviously, if no damages occurred, the deposit could be returned. Section 9

would allow for an additional deposit maximum for pets, defines normal wear and tear, and brings forward the definition from the American Disabilities Act (ADA) for service animals as opposed to comfort animals.

MS. HEWITT referred to proposed Section 10, which requires the tenant and landlord to sign a premises condition statement. The language previously read "may" but now reads "shall." This provision provides protection to both parties. Section 11 would permit rentals of dry cabins, and Section 12 would allow landlords to restrict the number of habitants in in a dwelling as provided by law or covenants. Section 13 would require a tenant to leave the premise in substantially the same condition, including, at the landlord's discretion, to require carpets be professionally cleaned if the carpets were professional cleaned before the tenancy began. Section 14 would allow for early termination as a result of domestic violence, sexual assault, or stalking, and Section 15 would permit a landlord to evict any tenant engaged in prostitution or other illegal activities. Section 16 would provide a stronger definition of "transient occupancy." Section 17 would provide a technical amendment to remove "uniform," and Section 18 would allow landlords to attach a tenant's permanent fund dividend (PFD) check for the judgment of unpaid rent or damage.

[3:55:36 PM](#)

REPRESENTATIVE JOSEPHSON, relative to [Section 8] that requires landlords to refund a tenant's deposit within 14 days unless damages occurred, asked whether 14 days is meaningful since the landlord could check on the 29th day for any damages. He wondered if the landlord would justify this by asserting that he/she had the right to check on the 29th day even if the premise did not sustain any damage.

MS. HEWITT deferred to the legislative legal attorney.

[3:56:44 PM](#)

DON BULLOCK, Attorney, Legislature Legal Counsel, Legislative Legal Services, Legislature Affairs Agency, answered that the bill doesn't address the timeframe but implies that if the timeframe is normally 14 days, the landlord should inspect and identify damages, although the bill doesn't specifically state it. He suggested that the language could read, "If the landlord discovers the damages within 14 days, the landlord may have up to 30 days to refund the damage deposit."

3:57:40 PM

REPRESENTATIVE JOSEPHSON asked about the definition of "service animal," which uses the national ADA language but calls the animal a service animal rather than a companion. He also related that numerous dry cabins exist in Alaska. He asked whether any concerns exist about taking advantage of tenants [by providing a dry cabin.]

REPRESENTATIVE DOUG ISAACSON, Alaska State Legislature, as sponsor of HB 282, commented that he once built a dry cabin himself, which later was converted to water. He offered his belief that dry cabins are often preferred by the tenants since the tenants can leave the cabin in sub-zero weather and not worry about freeze-up. In Interior Alaska, dry cabins are often used by students and those who enjoy living off the land. He highlighted that the dry cabin relationship must be stated in the agreement so tenants will not expect water.

MS. HEWITT responded that the dry cabin provision must be waived by the tenant. She referred to page 8, [lines 26-29 of Version 0] that requires dry cabins must be waived by the tenant in the rental agreement.

3:59:52 PM

REPRESENTATIVE JOSEPHSON referred to Section 15 [of Version 0], and asked what type of showing a landlord would need to make with respect to determining that prostitution was taking place.

MR. BULLOCK answered that the [Residential Landlord Tenant Act (RLTA)] defines illegal activity. He said it would be helpful for the landlord to call the police department or for the landlord to have some evidence to support the conclusion that these unfortunate circumstances were occurring on the premises.

4:00:58 PM

REPRESENTATIVE JOSEPHSON said he assumed that any dispute in landlord tenant law could be addressed in a district court.

MR. BULLOCK answered he believed that is correct. He pointed out that this language is a discretionary provision and the landlord doesn't have to deliver the written notice to quit but has the discretion to protect his own interest.

4:01:47 PM

NICK GASCA, Supervising Attorney, Alaska Legal Services Corporation (ALSC), said he is also one of the senior attorneys in the housing consumer law team. The Alaska Legal Services Corporation has had an opportunity to review the bill, and he described HB 282 as being "mostly positive." For example, Section 6 [of Version 0] describes the types of damages that a landlord can deduct from a tenant's deposit. Section 9 provides a detailed description of normal "wear and tear," and there currently is not a definition in the Residential Landlord Tenant Act (RLTA), which has often led to litigation, but the courts haven't really construed this consistently. Section 7 also makes it clear that a landlord cannot comingle pre-paid rent with other funds and may not use one tenant's security deposit to refund another. He said the ALSC agrees with the proposed change in Section 14 regarding domestic violence and early termination and related that this provision will be of great benefit to Alaska's domestic violence victims, of which Alaska has a disproportionate number. Finally, he indicated the ALSC supports the definition of "transient occupancy" in Section 16 since this definition has been the subject of litigation and the proposed amendment will clarify its meaning.

4:03:39 PM

MR. GASCA expressed concern about the PFD priority since tenant debt doesn't fit with the other debts listed in AS 43.23.065(b), such as child support, court ordered restitution, and educational loans. This provision would harm other types of creditors, including credit card companies, who will need to "get in line" behind landlords when levying on a debtor's PFD. Essentially, this provision would make a private debt have equal judgment over any other private judgment. Additionally, Section 10 doesn't establish a procedure if the landlord and tenant disagree on the condition of the premises prior to moving in. Section 12 addresses occupancy limits. Most tenants don't know the municipal code for how many people are allowed to live in a building or a unit. This section is actually taken care of through private contracts since when most people sign leases the lease will indicate how many people are allowed in the premises. If the landlord discovers more people, the landlord can move to evict; however, he was unsure how a tenant is supposed to know the occupancy limit, at least low-income tenants.

MR. GASCA said the ALSC expressed concern about the security deposit refund timeline in Section 8 that increases the refund

time period to 30 days. In reality, this provision seems like a windfall for the landlord. Once a tenant moves out, the landlord has every obligation and incentive to go into the apartment and rent it right away due to potential loss of income. If the landlord can wait 30 days before fixing damages it equals 30 days of unpaid rent that can be deducted from the tenant's security deposit and the landlord does not need to forcefully mitigate damages to get the apartment back on the market to minimize any loss from loss of rent.

[4:06:51 PM](#)

REPRESENTATIVE JOSEPHSON asked for clarification that the landlord might contrive to find damages and "fuss about problems" on a shorter timeline.

MR. GASCA responded that the essence of the concern is there would not be any incentive for the landlord to mitigate damages. If the tenant leaves on the first, the landlord could go into the premises on the second, wait until the 14-day limit, but then wait to fix the damage until the 30 days is up and charge the tenant for lost income. As it currently stands, 14 days is adequate time to fix and re-rent the apartment, he said.

[4:08:14 PM](#)

REPRESENTATIVE HERRON asked for further clarification on the last point. He asked if there should be a "carve out" for his concern. The committee has been suggesting that the inspection should be held within 14 days and the payment to the former tenant should be made within 30 days. He asked whether Mr. Gasca is asking for a "carve out" on his concern.

MR. GASCA answered that he was not necessarily asking for a "carve out," but if the "carve out" is for the 30 days, then yes, it would be appropriate. However, he suggested that the 14 days is more than adequate time to inspect the premises, make the corrections, fix any damages, and refund any remaining security deposit. He related that ALSC represents many low-income individuals and waiting 30 days for a security deposit return could be damaging to tenants. In fact, many tenants rely on their security deposits to cover the next first month's rent or to cover the subsequent security deposit. He said 30 days is a long time to wait, and many people rely heavily on the deposit being returned timely.

[4:10:07 PM](#)

PEGGYANN MCCONNOCHIE, Real Estate Broker, Alaska ACH Consulting, related that she has been a realtor since 1982, a broker since 1984, has expertise in property management, teaches property management, and performs property management coaching throughout the state. In 1973, the state adopted the Uniform Landlord Tenant Act (ULTA). Over the years, changes have occurred that have slowly changed the act. The uniform commission met and identified many things that have changed so this law needs updating. She said she is very happy with HB 282 since it balances out the tenant and landlord responsibilities and brings in new aspects that have not been previously covered. She offered her belief that this bill is not perfect, but overall it is better for the landlord and the tenant.

[4:11:45 PM](#)

MS. MCCONNOCHIE highlighted some important changes in HB 282 such as adding a provision to cover pet deposits. Alaska has an inordinate number of people with pets, but landlords are often unwilling to accept pets due to the current law that allows them to collect up to two times the monthly rent [for damages caused by the pet]. This bill would allow the landlord to collect an extra month's rent to serve as a pet damage deposit.

[4:12:26 PM](#)

MS. MCCONNOCHIE related that the current law does not have a good definition for "normal wear and tear" which is not good for either party. This bill requires premise condition statements to be signed by the landlord and the tenant at the time the tenant moves in. Certainly, having condition statements is already "best practices" by most good property managers; however, this would require everyone to sign and agree on the actual condition of the premises. She stated that HB 282 permits the rentals of dry cabins and although some dry cabins exist in Southeast Alaska, dry cabins are prevalent in other communities such as Fairbanks. If the landlord and tenant agree to the dry cabin, this provision represents a great move forward. This bill would also allow the landlord to restrict the number of inhabitants. Unless the landlord is renting a property financed through Alaska Housing Finance Corporation (AHFC), an owner cannot restrict inhabitants. The difference in "normal wear and tear" is significant when the premises house two inhabitants as compared to seven inhabitants. This bill would allow for the professional cleaning of carpets if the landlord professionally cleaned carpets at the time the tenant

moved in. This is a huge change since right now a landlord cannot require a tenant to clean carpets professionally even if it had been done prior to the tenant moving in, she said.

[4:14:10 PM](#)

MS. MCCONNOCHIE said she supported early termination for domestic violence occurrences. This makes it easier when there is a need for victims to move out. The bill also allows for the attachment of PFDs for nonpayment of rent. She remarked that landlords deserve their monies, too, and it would be wonderful to give them the ability to attach the PFD checks. Currently, the landlord can inspect the premises and determine whether any damages have occurred. However, trying to get contractors to prepare estimates within 14 days [and repair damages] is almost impossible. Her goal, as landlord, is to assist the owner with an inspection, bid repairs, and to have the property repaired as quickly as possible. She assured members that if repairs are not necessary, that as the property manager, she will refund the deposit to the tenant as soon as possible. However, if legitimate repairs need to be performed, she has found that currently 14 days doesn't work. She pointed out that most states in Pacific Northwest, including Washington, Oregon, and Idaho, have provisions that allow landlords to refund the tenant's deposit in up to 30 days. She said this is not done to harm the tenant, but it helps the tenant, since any costs for damages are known. She thanked members and thinks HB 282 will benefit landlords and tenants.

[4:16:54 PM](#)

ERROL CHAMPION, Director; Chair, Industry Issues, Alaska Association of Realtors (AAR), offered support for HB 282. He also referred to a letter in members' packets from the (AAR). The AAR consists of 1,600 members statewide, many of who perform property management. He said that he agrees the bill will address many of the issues previously discussed today. One issue has been the collection of pet deposits and how to deal with pets. He pointed out that landlords often bump up tenant fees, and the additional pet deposit doesn't affect the ability of landlords to charge more rent. Still, the deposit will assist in fixing potential damage that occurs in addition to the "normal wear and tear." He said landlords can issue deposit refunds within 14 days for really good tenants; however, if tenants leave in the middle of night the landlord cannot obtain repair estimates, do the repairs, and refund the deposit within 14 days. Thus, he advocated for the increase to 30 days which

will allow the landlord sufficient time to accomplish repairs. He supported the definition of "normal wear and tear." He also supported requiring tenants to have carpets professionally cleaned if carpets were cleaned prior to the tenant renting the premise. He said he is excited about the use of electronic signatures and although a specific provision is not in HB 282, he was told that other states allow for electronic signatures. Electronic signatures represent how business is done today. He hoped the bill would be adopted soon and integrated into the best practices since it provides protection for property managers and tenants. He urged members to adopt HB 282.

[4:20:26 PM](#)

REPRESENTATIVE HERRON referred to the tenant leaving in the middle of the night. In that instance the landlord did not have an opportunity to do an inspection so he wondered if the landlord tenant act should have a provision to address this circumstance. He pointed out that if the tenant has abandoned the premise the tenant has also abandoned the agreement.

MR. CHAMPION responded that this should be the prerogative of the landlord or property management, noting that some already perform background checks, credit checks, or other validation of potential tenant credentials, and if necessary, some landlord-tenant documents will indicate that the landlord will evaluate the condition of the property in the event the tenant vacates the premise unannounced. He cautioned against putting specific language in the bill since other better ways to solve this circumstance exist.

[4:21:56 PM](#)

REPRESENTATIVE HERRON thanked him for putting this into the record.

REPRESENTATIVE JOSEPHSON asked whether it would be satisfactory to require the inspection to occur within 14 days and either the parties agree to the damages or dispute it. At any rate, the landlord would determine whether damages occurred. For example, if the tenant checks out on the first day and the landlord examines the property the next day and finds the tenant left the property in satisfactory condition, then the tenant's deposit refund should be issued timely, within 14 days. In that instance, the landlord would not have any need to hold the deposit for 30 days to accommodate any repairs to the property.

MR. CHAMPION said he couldn't speak for property managers, but he did not think it was anyone's intent to hold on to the deposit without a valid reason; however delays can happen. He said that the 30 days represents the "drop-dead" date, but if a property manager could accomplish it on the 16th day that most landlords or property managers would issue the refund.

[4:23:39 PM](#)

CHAIR OLSON suggested that during the height of the summer [to inspect, obtain estimates, accomplish repairs,] 30 days is an optimistic timeframe for the landlord to refund the deposit. He suggested that it might be difficult to find a contractor to do any repair work since contractors have prior commitments. He offered his belief that it might be more reasonable to have an emergency provision extending beyond 30 days.

MR. CHAMPION agreed. He suggested that most property managers and landlords will want at least two bids, which could add more time. He acknowledged that it is difficult to find someone to do repairs within 14 days.

[4:24:54 PM](#)

REPRESENTATIVE JOSEPHSON related that as a first-time landlord he once forgot to return the tenant's deposit. He also represented a pro bono tenant who did not receive his/her deposit timely so the tenant was eligible for treble damages, which is why he was alarmed once he realized he hadn't returned his tenant's deposit. He said his point is that these things do happen and although scrupulous people will issue the refund promptly, not everyone will behave that way.

MR. CHAMPION said the bill is a big improvement over current law and will provide protections for the tenants and landlords/property owners.

REPRESENTATIVE JOSEPHSON agreed that he likes the bill.

[4:26:30 PM](#)

LISA MARIOTTI, Policy Director, Alaska Network on Domestic Violence & Sexual Assault (ANDVSA), stated that ANDVSA is a statewide coalition consisting of 23 member programs and affiliates that provide direct services to victims of domestic violence, sexual assault and stalking. She asked to discuss the early termination for victims, which will benefit many people in

the state. She stated that ANDVSA has been working with the sponsor to improve safety of victims under this bill. She questioned a comment that this provision puts everyone on the same page, which is not true. There are nine federal funding streams that landlords contractually agree to that provide housing protections under the federal "Violence Against Women Act of 1994 (VAWA)". Landlords receive funding streams from rural development funds, low income housing tax credit funds, and [U.S. Department of Housing and Urban Development (HUD)] Section 8 vouchers, and landlords must follow the federal laws which are substantially different than in the bill. One concern, pertaining primarily to smaller property owners that use rural development money to build 4-plexes or other small apartments, is that landlords might look at the landlord tenant act and require a protective order or police report that is prohibited under federal law. Federal law provides a list of acceptable documents, but landlords can't limit the documentation to two particular documents. She suggested adding language to inform landlords that if they are receiving federal funds that these provisions would not apply. This could potentially limit the impact for outreach and education by the Alaska Housing Finance Corporation and regional corporations since they often deal with some of these federal programs.

[4:29:26 PM](#)

MS. MARIOTTI cautioned that the consequence of violating individuals' rights could jeopardize the federal funds. Second, the bill needs some type of confidentiality provision for documentation to exercise these rights. For example, the bill requires victims to provide contact information on where they are going once they leave the premises and that language raises significant safety issues for victims. She suggested that landlords should be prohibited from disclosing this information to third parties unless they have the written consent of the victim to do so or to be required by applicable law. She pointed out that if a landlord calls another for future reference, landlords are free to disclose that the tenants paid rent on time and were good tenants; however, landlords are prohibited from identifying that the tenants were victims of domestic violence, sexual assault, or stalking. This provision protects the victim's privacy but it also protects information about the victim's location to prevent an abuser or perpetrator from accessing that information.

[4:30:54 PM](#)

MS. MARIOTTI expressed ANDVSA's third concern, which is the change to the definition of "transient occupancy" and limiting it to less than a 30-day stay, in particular, to a hotel or motel. The ANDVSA's programs provide services to men and women and find secure locations in hotels and motels for them. The ANDVSA's programs work with local providers to provide a safe place for men with their children [who cannot be housed in a shelter with women and children]. In those instances, sometimes the assistance exceeds 30 days. She cautioned against entering into a landlord-tenant relationship with the hotel owner, who is not the provider of the assistance. She indicated that ANDVSA has worked on language that could further clarify this.

[4:32:16 PM](#)

REPRESENTATIVE JOSEPHSON acknowledged that Ms. Mariotti's testimony illustrates how complicated this law is, noting that he has worked in family law but couldn't have envisioned these issues pertaining to the landlord tenant bill. He encouraged Ms. Mariotti to work with the sponsor on language to accommodate these issues.

REPRESENTATIVE HERRON said he met with the sponsor and Ms. Mariotti with respect to the language addressing prostitution. He expressed an interest in addressing society's responsibility to find ways to address sex trafficking. He said that the legislature and society should differentiate and recognize that prostitution and illegal sexual activity is different than human trafficking. He offered his belief that the sponsor is sensitive to the need to protect the victims of sex trafficking and to pursue the promoter. He said that language could be drafted to address this, but the way the bill is currently written it is unlikely the profiteer will be prosecuted, but the victim could be harmed.

MS. MARIOTTI acknowledged that the topic was discussed extensively. She understood landlords not wanting prostitution occurring in rental premises and the need to give them the right to evict people engaging in that type of activity. She agreed a problem could arise with a tenant being coerced into prostitution by a sex trafficker. She acknowledged that she has been considering ways to address this, with one way being to expand early termination to include victims of sex trafficking as well as domestic violence, sexual assault, and stalking. She was unsure that this would necessarily address the issue since all the crimes have some elements of control and coercion, in particular, in domestic violence situations, but she thought it

would be a move in a positive direction to include these victims in this provision, as well.

CHAIR OLSON remarked that most committee members are fathers of daughters.

MS. MARIOTTI acknowledged that ANDVSA really appreciated the committee members' support.

[HB 282 was held over.]

[4:36:29 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:36 p.m.