

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

March 1, 2024

3:53 p.m.

**MEMBERS PRESENT**

Representative Jesse Sumner, Chair  
Representative Justin Ruffridge, Vice Chair  
Representative Mike Prax  
Representative Dan Saddler  
Representative Ashley Carrick

**MEMBERS ABSENT**

Representative Stanley Wright  
Representative Zack Fields

**COMMITTEE CALENDAR**

HOUSE BILL NO. 262

"An Act relating to increases in rent for dwelling units; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 218

"An Act relating to coverage for disability from diseases for certain firefighters; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 385

"An Act relating to occupational licensing fees."

- SCHEDULED BUT NOT HEARD

HOUSE BILL NO. 203

"An Act relating to wage payments."

- SCHEDULED BUT NOT HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 262

SHORT TITLE: RESIDENTIAL RENT INCREASE NOTICE

SPONSOR(S): REPRESENTATIVE(S) JOSEPHSON

01/16/24 (H) PREFILE RELEASED 1/12/24  
01/16/24 (H) READ THE FIRST TIME - REFERRALS  
01/16/24 (H) L&C, JUD  
02/09/24 (H) L&C AT 3:15 PM BARNES 124  
02/09/24 (H) -- MEETING CANCELED --  
02/19/24 (H) L&C AT 4:15 PM BARNES 124  
02/19/24 (H) -- MEETING CANCELED --  
03/01/24 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 218

SHORT TITLE: FIREFIGHTER WORKERS COMP REQUIREMENTS  
SPONSOR(S): REPRESENTATIVE(S) SADDLER

01/16/24 (H) PREFILE RELEASED 1/8/24  
01/16/24 (H) READ THE FIRST TIME - REFERRALS  
01/16/24 (H) L&C  
02/28/24 (H) L&C AT 3:15 PM BARNES 124  
02/28/24 (H) -- MEETING CANCELED --  
03/01/24 (H) L&C AT 3:15 PM BARNES 124

**WITNESS REGISTER**

LISA KELLER, Staff  
Representative Andy Josephson  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 262 on behalf of  
Representative Josephson, prime sponsor.

OWEN HUTCHINSON, Healthcare & Homelessness Integration Manager  
Alaska Coalition on Housing and Homelessness  
Anchorage, Alaska

**POSITION STATEMENT:** Gave invited testimony on HB 262.

TERRIA WARE, Senior Director  
Anchorage Coalition to End Homelessness  
Anchorage, Alaska

**POSITION STATEMENT:** Gave invited testimony on HB 262.

ADONIS BUZARD, Staff  
Representative Dan Saddler  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented the sectional Analysis for HB 218  
on behalf of Representative Saddler, prime sponsor.

JOHN DELLACROCE, Former Assistant Chief  
Chugiak Volunteer Fire Department  
Chugiak, Alaska

**POSITION STATEMENT:** Gave invited testimony on HB 218.

CHUCK COLLINS, Director  
Division of Worker's Compensation  
Department of Labor & Workforce Development  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 218.

#### **ACTION NARRATIVE**

[4:17:23 PM](#)

**CHAIR JESSE SUMNER** called the House Labor and Commerce Standing Committee meeting to order at 3:53 p.m. Representatives Prax, Saddler, Carrick, and Sumner were present at the call to order. Representative Ruffridge arrived as the meeting was in progress.

#### **HB 262-RESIDENTIAL RENT INCREASE NOTICE**

[4:18:09 PM](#)

CHAIR SUMNER announced that the first order of business would be HOUSE BILL NO. 262, "An Act relating to increases in rent for dwelling units; and providing for an effective date."

[4:18:37 PM](#)

LISA KELLER, Staff, Representative Andy Josephson, Alaska State Legislature, on behalf of Representative Josephson, prime sponsor, presented HB 262. She paraphrased the sponsor statement [included in committee packet], which read as follows [original punctuation provided]:

A 2020 report by the U.S. Government Accountabilit Office found that every \$100 increase in median ren is associated with a 9% increase in the estimate homelessness rate. Communities across Alaska are struggling with an unprecedented increase in homelessness, a crisis that has its roots in multiple causes. HB 262 seeks to address one of the causes: the rapid rise in rental rates that has many people one paycheck away from losing their housing.

According to data from the Institute for Community Alliances, 61% of unhoused people are not chronically homeless. Instead, they are unable to bridge the gap between increasing rent and stagnant wages. The Department of Labor and Workforce Development's March 2023 rental survey of two-bedroom apartments showed an average 7% increase in rent from 2022, with Sitka showing the lowest increase at 3% and Ketchikan with the highest increase at 16%. Meanwhile, the National Alliance to End Homelessness has found that from 2020 to 2022, homelessness increased among Alaskan families by 11%, increased among Alaskan individuals by 22%, and increased among Alaskan veterans by 43%.

Alaska does not currently have a specific notice of rent increase statute. Instead, a 30-day notice of end-of-tenancy is required from the landlord to the tenant. A month-to-month tenancy is essentially a 30-day contract. The 30-day notice to end the tenancy implies a 30-day notice to raise rent. When the contract ends, after a 30-day notice, the landlord is free to raise the rent. Since there is a clear connection between raising rent and an increase in homelessness, HB 262 adds a cushion of time for the tenant to either raise additional funds for the increase or find other more affordable housing that fits within their budget.

The benefit to landlords is that the 90-day notice of rent increase is only applicable when the tenant's rent is current.

Please join me in supporting HB 262 to give vulnerable Alaskans extra time to secure affordable housing.

[4:20:59 PM](#)

MS. KELLER read the sectional analysis for HB 262 [include in the committee packet], which read as follows [original punctuation provided]:

**Section 1**

Amends AS 34.03.020 by adding a new subsection that requires a landlord to give at least a 90-day notice before increasing rent on a dwelling unit for which the rent is current. The notice to the tenant who is current in rent serves as a start line for the rent

increase. If the tenant moves out before the 90-day is up, the rent cannot be raised for the subsequent tenant until after the increase specified in the original notice. If notice has not been given to the tenant, the rent cannot be raised until 90 days after the date of the rental agreement termination.

### **Section 2**

Amends the uncodified law of the State of Alaska by adding a new section regarding applicability to a rental agreement entered into on or after the effective date.

### **Section 3**

Sets an immediate effective date.

[4:22:02 PM](#)

MS. KELLER directed attention to a PowerPoint presentation on HB 262 [hardcopy included in committee packet]. She began on slide 2, "The Details of HB 262," which read as follows [original punctuation provided]:

- When rent is current, HB 262 requires landlords to give tenants 90 days notice of a rent increase on a month-to-month tenancy.
- If a tenant chooses to end the tenancy 30 days after the notice, the landlord must abide by the original notice of rent increase date.
- If a rent increase notice has not been given to a tenant and the tenant is given a notice to vacate for any reason, the rent cannot be raised until 90 days after the date of the rental agreement termination.
- HB 262 gives renters more time to budget for a rent increase, find more affordable housing, or find roommates to share the cost.

[4:23:40 PM](#)

MS. KELLER moved to slide 3, "Important to Note," which read as follows [original punctuation provided]:

- HB 262 makes no changes to this part of the law.
- If rent is not paid when due, the landlord may give written notice of intent to terminate.
- The tenant has seven days to pay the past due rent.

- If the tenant does not pay the rent due within the seven days, the landlord may terminate the rental agreement and immediately regain the unit.

MS. KELLER advanced to slide 4, "There is Nothing in Current Statute that Required a Notification of Rent Increase," which read as follows [original punctuation provided]:

Rent increase is addressed in the Alaska Landlord and Tenant Act published by the Department of Law. The document is inconsistent with the actual law.

- Must "give adequate notice of a rent increase," page 11, NOT IN STATUTE.
- "Unless there is a lease, the landlord is legally entitled to raise the rent by any amount...must give the tenant at least 30 days before the increase takes effect...," page 17, NOT IN STATUTE.
- "Legally, a notice of rent increase is probably equivalent to a termination of the rental agreement at the old rate and an offer to rent the same unit at a higher rent," page 17, NOT IN STATUTE.

[4:25:18 PM](#)

MS. KELLER proceeded to slide 5, "Cost-Burdened Households," which read as follows [original punctuation provided]:

- Affordable housing is defined as housing and associated fees and utilities that costs no more than 30% of gross income.
- A cost-burdened household spends more than 30% of gross income on housing costs
- A severely cost-burdened household spends more than 50% of gross income on housing costs

MS. KELLER moved to slide 6 to extrapolate the cost burden, which she said affects all households.

[4:27:04 PM](#)

MS. KELLER transitioned to slide 7 to explain how homelessness increased in areas where rents soared and listed the affected communities nationally. She continued to slide 8, "Cost-Burdened Alaska Renters Hit an All-Time High in 2022," which read as follows [original punctuation provided]:

- Rent has increased
  - Inflation has increased to the highest rates in decades
  - Demand is high and supply is low
- Vacancy rates remain low in Alaska
  - Outmigration has slowed
  - Homes have become less affordable
  - Home building has been low in recent years
- There are more short-term rentals

[4:29:18 PM](#)

MS. KELLER moved to slide 9 to further explain the Alaska cost burden on housing through data from the National Low Income Housing Coalition (NLIHC). She moved to slide 10 to discuss the connection between increased rent and increased homelessness. Slide 11 featured a list of states that have more than a 30-day notice of rent increase requirement. She concluded on slide 12, "Vermont and Alaska Comparison, which read as follows [original punctuation provided]:

- Northern states with significant rural populations
- Similar population size
  - Alaska is 48<sup>th</sup> most populous state (733,406)
  - Vermont is 49<sup>th</sup> most populous state (647,464)
- Similar metropolitan areas
  - Anchorage has about 40% of the state's population (288,121)
  - Burlington has about 35% of the state's population (225,562)

[4:33:14 PM](#)

REPRESENTATIVE RUFFRIDGE asked if the timeframe for rent increase were increased to 90 days, whether people would be able to find alternative housing in that window. He questioned whether notices actually drive down homeless rates and whether these individuals are able to find a new place to stay.

MS. KELLER offered to follow up with the requested information. She said many communities are responding with short-term rental legislation because short-term rentals are taking available housing off the market. She added that in the past 30 years there has been a movement to take affordable housing off the market to build bigger, less affordable housing.

[4:35:17 PM](#)

REPRESENTATIVE SADDLER asked whether a tenant's lease would be binding on a subsequent tenant, meaning that if someone moved out, the rent could not be raised on a subsequent tenant until after the expiration of the 90-day notice.

MS. KELLER clarified that HB 262 is a rent stabilization bill, not a rent control bill. She explained that in a sense, the rent is following the unit.

REPRESENTATIVE SADDLER asked how this rent stabilization bill would impact the willingness of a property owner to invest in providing housing.

MS. KELLER said the tenant's rent must be current for the 90-day notice to be applicable.

[4:38:17 PM](#)

REPRESENTATIVE PRAX asked whether property managers were consulted to figure out why costs are increasing and why more housing isn't becoming available.

MS. KELLER shared that the property owners she spoke with were not opposed to the bill. She shared her understanding that the increase in rent is largely due to inflation and the upsurge in short-term rentals. She emphasized the difficulty in finding affordable housing.

[4:40:18 PM](#)

REPRESENTATIVE CARRICK referred to lines 7-8 of the bill and asked whether the 90-day notice requirement would apply to a landlord who wanted to raise the rent on a tenant who is renewing a year-long lease.

MS. KELLER acknowledged that the bill needs to be amended to apply to this scenario because currently, the bill only applies to month-to-month leases.

[4:41:34 PM](#)

REPRESENTATIVE PRAX asked whether price stability should be imposed on utilities.

MS. KELLER said the bill only deals with rent. She added that price changes to utilities would be at the landlord's discretion.

CHAIR SUMNER opened invited testimony.

[4:43:25 PM](#)

OWEN HUTCHINSON, Healthcare & Homelessness Integration Manager, Alaska Coalition on Housing and Homelessness, gave invited testimony in support of HB 262 and tenant rights. He said 84 percent of extremely low-income households are cost burdened - meaning that more than 30 percent of their income is spent on rent and bills - and 69 percent of extremely low-income households are severely cost burdened spending upwards of 50 percent on rent and bills. He discussed the demographics of low-income renters who are most impacted by rent increases and said the 90-day window would allow these renters to engage with the U.S. Department of Housing and Urban Development (USHUD) grantee recipients to look at stabilization and rapid rehousing.

[4:47:32 PM](#)

TERRIA WARE, Senior Director, Anchorage Coalition to End Homelessness, gave invited testimony in support of HB 262. She reported that Anchorage has seen rent increases of up to 40 percent. She explained that an extra 60 days provides time for someone to figure out how to pay the rent increase, acquire a security deposit, find a storage unit, or fill out rental applications. It would also give service providers a chance to help find alternative housing.

[4:50:17 PM](#)

CHAIR SUMNER announced that set HB 262 would be held over.

**HB 218-FIREFIGHTER WORKERS COMP REQUIREMENTS**

[4:50:26 PM](#)

CHAIR SUMNER announced that the final order of business would be HOUSE BILL NO. 218, "An Act relating to coverage for disability from diseases for certain firefighters; and providing for an effective date."

[4:50:33 PM](#)

The committee took a brief at-ease from 4:50 p.m. to 4:52 p.m.

4:52:45 PM

REPRESENTATIVE SADDLER, as prime sponsor, presented HB 218. He paraphrased the sponsor statement [included in committee packet], which read as follows [original punctuation provided]:

House Bill 218 seeks to lessen an undue burden on firefighters and fire departments by changing the requirements and qualifications for firefighters to receive critical disability coverage for diseases acquired or developed in the line of duty.

Under current law, for a new firefighter to qualify for disability coverage for certain illnesses likely to be brought about by the hazards of the job (including respiratory disease, cardiovascular events and several types of cancer), they must get an initial qualified medical assessment, then get an annual physical examination every year for seven years. These physical assessments and exams seek to establish that the firefighter did not exhibit any symptoms of those diseases prior to, or in the first several years of, their service as a firefighter.

Currently, firefighters who have served for fewer than seven years, or missed getting a single physical examination during their first seven years, cannot access benefits for a disability brought about by exposure to smoke, fumes and toxic substances.

HB 218 would revise those requirements so that firefighters who have three years of service and received physical exams upon certification and initial hiring as a firefighter would be able to qualify for disability coverage for the diseases listed in AS 23.30.121(b)(1).

Adjusting the requirements for disability coverage would allow firefighters, who put their health at risk to save the lives and homes of others, to get the help they need if their work results in disability. HB 218 would also reduce the financial burden on small, volunteer fire departments across the state of paying for physical exams, letting such departments better

direct their limited funds toward fighting fires and saving lives.

[4:55:23 PM](#)

ADONIS BUZARD, Staff, Representative Dan Saddler, Alaska State Legislature, on behalf of Representative Saddler, read the sectional analysis for HB 218 [included in committee packet], which read as follows [original punctuation provided]:

**Section 1 - Page 1, Lines 4-14, & Page 2, Lines 1-30**

Section 1 amends AS 23.30.121(b)(3) to apply AS 23.30.121(b)(1) - the presumption that a claim for compensation for disability as a result of certain diseases is within the provisions of this chapter - to firefighters who have served in the state for at least three years, instead of seven.

Section 1 also amends AS 23.30.121(b)(3)(A) by updating the medical examination requirements for firefighters to qualify for disability benefits. Current statute requires firefighters to get an initial exam and then one exam each year for seven consecutive years to qualify for benefits. Section 1 amends those provisions to require qualified medical exams upon certification as a firefighter, upon initial hiring as a firefighter, and once every five years of employment as a firefighter.

Section 1 further amends AS 23.30.121(b)(3)(A) by adding a final requirement that firefighters receive a medical examination within one year of terminating service as a firefighter to qualify for disability benefits related to diseases listed in AS 23.30.121(b)(1).

**Section 2 - Page 2, Line 31**

Section 2 provides for an immediate effective date.

CHAIR SUMNER opened invited testimony.

[4:57:54 PM](#)

JOHN DELLACROCE, Former Assistant Chief, Chugiak Volunteer Fire Department, gave invited testimony on HB 218. He said presumptive health has limited accessibility due to the cost of medical exams. Even the Chugiak Volunteer Fire Department - one

of the largest volunteer departments in the state - cannot afford to provide medical exams every seven years. He added that reducing the threshold to five years has been more palatable. By reducing the threshold to three years, the availability for this benefit would be increased to 64 percent of Chugiak's volunteer firefighters.

[4:59:21 PM](#)

REPRESENTATIVE PRAX asked whether the department is required to carry workers' compensation insurance for firefighters.

MR. DELLACROCE answered yes. He clarified that HB 218 would apply to someone who leaves the service and develops cancer, for example, within 16 months.

REPRESENTATIVE PRAX asked whether the Chugiak Volunteer Fire Department has experienced increases in workers' compensation rates and coverage.

MR. DELLACROCE said he was not prepared to discuss changes in insurance costs. He reported that insurance is one of the department's largest annual costs.

[5:02:02 PM](#)

CHUCK COLLINS, Director, Division of Worker's Compensation, Department of Labor & Workforce Development (DLWD), recalled that with the recent changes in presumptions, the forecast raises the cost of the entire workers' compensation by 0.2 percent. He offered to follow up with specifics on the volunteer fire departments.

REPRESENTATIVE PRAX asked whether rules have been established to reduce or prevent exposure.

MR. COLLINS said workers' compensation would not be involved in that. He shared his understanding that the fire denomination process is intense.

[5:04:16 PM](#)

MR. DELLACROCE, in response to Representative Prax, stated that there are policies and procedures in place to limit exposure; however, there's always some risk involved. He said the bill would provide peace of mind.

5:05:41 PM

CHAIR SUMNER announced that HB 218 would be held over.

5:05:54 PM

**ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:05 p.m.