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CS FOR SENATE BILL NO. 63 ()
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:
Sponsor(s): SENATOR FAHRENKAMP

A BILL
FOR AN ACT ENTITLED

1 "An Act requiring the Department of Community and Regional Affairs to establish and
2 evaluate a pilot mediation project for landlord-tenant disputes arising under the Uniform
3 Residential Landlord and Tenant Act; and providing for an effective date."

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 * Section 1. LANDLORD-TENANT MEDIATION PROJECT. (a) A landlord-tenant mediation
6 project is established to determine whether mediation may profitably resolve disputes between landlords
7 and tenants arising under the Uniform Residential Landlord and Tenant Act (AS 34.03). In order to
8 determine whether the best interests of the parties can be served by mediation, the Department of
9 Community and Regional Affairs shall
10 (1) establish a mediation project using mediators to mediate landlord-tenant disputes; the
11 pilot mediation project shall be located in and serve residents of the Fourth Judicial District of the state;
12 and
13 (2) evaluate the mediation project established under (1) of this subsection; the evaluation
14 must measure

1 (A) the success of the project in terms of its ability to promote and serve the best
2 interests of the parties;

3 (B) the satisfaction of the legitimate and appropriate needs of the persons who
4 participate in the project;

5 (C) the project's efficiency;

6 (D) the project's economy; and

7 (E) whether the project has reduced litigation relating to landlord-tenant disputes.

8 (b) In establishing the mediation project under (a) of this section, the Department of Community
9 and Regional Affairs shall

10 (1) adopt regulations for the initial contact and for the mediation orientation session that
11 describe the process and purpose of mediation and inform the parties of their rights and the scope and
12 purpose of the project before mediation begins;

13 (2) consult with other states to determine their experiences with mediation and to obtain
14 their recommendations relating to mediation disputes; and

15 (3) develop a list of qualifications for persons who may serve as mediators, including
16 persons who volunteer to serve as mediators.

17 (c) A landlord or a tenant may seek to mediate disputes between the parties as to the disposition
18 of an obligation of either of them arising out of a rental agreement.

19 (d) Mediation shall be conducted between a landlord and a tenant who agree to the mediation.
20 Mediation may be conducted informally as a conference, or by telephone, or by a series of conferences,
21 as determined by the mediator. The parties to the mediation shall attend.

22 (e) If the mediator determines that mediation efforts are unsuccessful, the mediator shall
23 terminate mediation and notify the parties that mediation efforts have failed. Thereafter, the parties may
24 seek to use other remedies provided by law.

25 (f) Mediation conferences under the landlord-tenant mediation project are confidential. The
26 mediator may not submit recommendations to a court about the disposition of the dispute.

27 * Sec. 2. PROJECT EVALUATION. The Department of Community and Regional Affairs shall
28 complete the evaluation required under sec. 1(a)(2) of this Act and report the evaluation to the legislature
29 by February 1, 1993.

30 * Sec. 3. MEDIATION BY AGREEMENT. In addition to the provisions of AS 34.03.020(a), a
31 landlord and tenant may include in a rental agreement a clause or condition authorizing mediation of

1 landlord-tenant disputes under sec. 1 of this Act.

2 * Sec. 4. USE OF MONEY FROM OTHER SOURCES. The Department of Community and
3 Regional Affairs, or any person with whom the department contracts to fulfill the department's duties
4 under this Act, shall apply for federal money and may apply for money from other sources that may be
5 available for a landlord-tenant mediation project. The receipt and expenditure of money under this
6 section not covered by appropriation is subject to AS 37.07.080(h).

7 * Sec. 5. This Act is repealed February 1, 1993.

8 * Sec. 6. This Act takes effect July 1, 1991.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

SENATE BILL NO. 63

Revision Date: _____ Department Affected: _____
 Title: Amending the duties of the office of Public Advocacy to add responsibilities BRU: _____
 Component: _____
 Sponsor: Fahrenkamp
 Requestor: Senate State Affairs COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	66.1	24.2	0	0	0	0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	66.1	24.2	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	66.1	24.2	0	0	0	0

POSITIONS:

FULL-TIME	0	0				
PART-TIME	1	1				
TEMPORARY	0	0				

Estimate of current year impact: N/A

ANALYSIS: (Attach a separate page if necessary.)
 The Senate State Affairs Committee never considered this original version of the bill; instead, it immediately adopted a committee substitute. Therefore, additional detail was not requested from any state agency. (The CS was essentially a sponsor substitute.)

Prepared By: Senate State Affairs Committee Phone: 465-4522
 Division: _____ Date: _____

Approved by Commissioner: _____
 Agency: Chair, State Affairs Committee Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

SB 63

BILL _____ DATE RECEIVED _____

TITLE _____

CONTACT _____ OFFICE/DEPT _____ PHONE _____

SPONSOR _____

COMMITTEE ACTION

DATE _____ ACTION TAKEN _____

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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February 28, 1991

POSITION PAPER

REF: CSSB 63

SPONSOR: SENATOR FAHRENKAMP

PROGRAM EFFECTS OF BILL

This bill would provide a sorely needed alternative to full litigation of Landlord-Tenant complaints. There has been a very substantial increase in Landlord-Tenant problems throughout the state with no fair and cost-effective method of resolution available. The result may range from unfair housing costs to those who are the least able to pay and with less ability to pursue resolution of a dispute, to an increase in homelessness.

COMMENTS

The Department, through its roles as the official state Homelessness Contact and Coordination agency, as well as having the responsibility of a wide range of housing grant and loan programs, has become increasingly aware of the need to develop more programs and services which offer prevention assistance. Landlord-tenant mediation programs are now being used more frequently and successfully; in a recent report to Congress forty-two homelessness prevention programs in ten states were reviewed and two-thirds of them utilized landlord-tenant mediation service programs. In many cases disputes between tenants and their landlords can be settled through mediation without resorting to costly legal actions. Mediation can thus be helpful for deterring a landlord from evicting a tenant and can also keep a bank from foreclosing on a homeowner. In the Congressional study, evictions were prevented in more than half of the cases worked. In most cases, demonstration or pilot programs were first utilized to best determine a preferred approach to identified needs.

The Department's 1988 Rural Housing Needs Assessment Study clearly demonstrated that overcrowding (more than three to four generations in a single household) is a common problem in Alaska, especially among low to moderate income households, and projections are for a substantial escalation of this problem. This, coupled with the fact that low-income housing is decreasing, exasperates individual's needs to be able to utilize mediation services because litigation is not probable.

For a variety of reasons, landlord-tenant problems have increased substantially and because of increased case-loads and associated costs, normal avenues of resolution (Alaska Legal Services, Judicial Council, Consumer Protection, etc.) are not as available. The Ombudsman Office has few sources to direct referrals to and feels that many such cases now lodged in Small Claims Court could be taken care of through mediation at a substantial savings. At the same time, opinion was expressed that it is probable that an increase in the number of cases now not being pursued may be seen if the less intimidating Mediation-by-Teleconference method were used and if costly litigation were not the only avenue of pursuit for this most at-risk segment of the population.

METHODOLOGY

Through the use of a half-time position the Department would first develop, promulgate and adopt regulations detailing the mediation process, develop an RFP through which an appropriate mediation service may be contracted to perform the required services, and administer the project according to statute.

The contracted mediator would perform the required services over a test period determined necessary to establish:

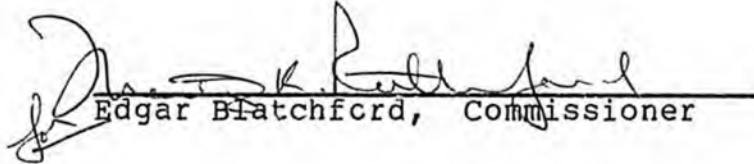
- 1) the success of the project in terms of its ability to promote and serve the best interests of the parties;
- 2) the satisfaction of the legitimate and appropriate needs of the persons who participate in the project;
- 3) the project's efficiency;
- 4) the project's economic value; and,
- 5) whether the project has reduced litigation relating to landlord-tenant disputes.

Lastly, the Department would complete a detailed report based on evaluation of the above listed program qualifiers, and present the evaluation report to the Legislature by February 1, 1993.

The Department is aware of federal funding programs whose purpose it is to support landlord-tenant mediation services. These funding sources would be pursued, in the event the Legislature determined that continuation of a Landlord-Tenant Mediation Program was justified.

CONCLUSIONS & RECOMMENDATIONS

The Department feels this proposed Landlord-Tenant Mediation project could result in a viable solution to an escalating problem. Probable benefits include its use as a practical and effective method of Homelessness Prevention, more of the low to moderate individuals who most need such a service would receive fair and cost efficient assistance, and long-range savings to legal services agencies could be realized.


Edgar Blatchford, Commissioner

FISCAL NOTE

DRAFT

BILL NO. CSSB 63

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Community & Regional Affairs
Title: Landlord-Tenant Mediation BRU: Employment/Training/Rural Development
Component: Statewide Service Delivery

Sponsor: Sen. Fahrenkamp

Requestor: _____ COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	17.2	1.4	0	0	0	0
TRAVEL	2.6	0	0	0	0	0
CONTRACTUAL	25.5	2.7	0	0	0	0
SUPPLIES	.7	.6	0	0	0	0
EQUIPMENT	2.0	.3	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	48.0	5.0	0	0	0	0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	48.0	5.0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	48.0	5.0	0	0	0	0

POSITIONS:

FULL-TIME	0	0				
PART-TIME	0	0				
TEMPORARY	0	0				

Estimate of current year impact: N/A

ANALYSIS: (Attach a separate page if necessary.)

See attachment.

Prepared By: Judith A. Holden Phone: 465-4890

Division: Rural Development Division Date: February 28, 1991

Approved by Commissioner: _____ Edgar Blatchford

Agency: Department of Community & Regional Affairs Date: 2-28-91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE ATTACHMENT

REF: CS Senate Bill 63

SPONSOR: Senator Fahrenkamp

DRAFT

ANALYSIS

Assumptions:

It is assumed that no new positions would be required for this pilot project but rather that establishment, evaluation, and reporting activities would be performed by existing Department personnel. Where possible activities will be contracted for with a private enterprise firm.

It is also assumed that Department activities as well as those contracted out would be accomplished through teleconferencing. The concept of Mediation by Teleconferencing on a statewide basis, used extensively by other mediation/hearing-type services, would be researched and analysed in this pilot project.

Program Summary:

Positions- No new positions requested.

Other Expenditures- Minimal travel would be required.

Funding- Appropriate federal funding would be sought for continuation of program if it is determined that mediation may profitably and fairly resolve disputes between landlords and tenants.

Economic Impact:

For a variety of reasons, landlord-tenant problems have increased substantially and normal avenues of resolution are no longer available. Ombudsman Office has few sources to direct referrals to and feels that many such cases now lodged in Small Claims Court could be taken care of through mediation. At same time an increase in number of cases now not being pursued may be seen if the less intimidating Mediation-by-Teleconference method were used.

Alaska Legal Services turns away hundreds of requests for landlord-tenant assistance. The Judicial Council would be willing to play a supportive role with this project.

Combination of Mediation-by-Teleconference and on-site mediation would be analysed for anticipated savings.

Alaska State Legislature

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Senate

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MEMORANDUM

TO: Senator Pat Rodey, Chair
Senate State Affairs Committee

FROM: Senator Bettye Fahrenkamp

DATE: February 27, 1991

SUBJECT: Proposed CS SB 63
"An Act requiring the Department of Community and Regional Affairs to establish and evaluate a pilot mediation project for landlord-tenant disputes arising under the Uniform Residential Landlord and Tenant Act; efd."

BILL HIGHLIGHTS:

- * This bill establishes a pilot landlord-tenant mediation project within the Department of Community and Regional Affairs. It is envisioned that this pilot project would be done as a grant to an entity selected by the Department.
- * The project would last for approximately a year and a half, with a report due to the legislature at the end of that time evaluating the success or failure of the project, whether it was appropriate to meet the needs of the people who asked for help, and whether it resulted in cost savings and less litigation.

One of the keys to ending homelessness is preventing it in the first place. In the Council of State Governments report, Homelessness in the States, several other states listed landlord-tenant mediation as one of their most effective methods of early intervention.

With the increasingly competitive rental housing market, especially in the more urban areas of Alaska, we are seeing more landlord-tenant problems. There is nowhere for people to turn short of going to court to settle difficulties. Our hope is that implementation of this program will help tenants and landlords to come to mutually satisfactory settlements of any disagreements or problems early on, thus preventing evictions and civil lawsuits and, ultimately, homelessness.

Senate Bill 63 is supported by the Alaska Coalition for the Homeless. Your strong support for the bill will be greatly appreciated.