

**SB**

**155**

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450

FAX (907) 465-2029

Mail Stop 3101

130 Seward Street, Suite 409

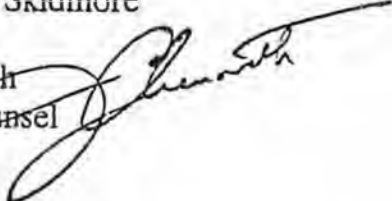
Juneau, Alaska 99801-2105

### MEMORANDUM

March 22, 1993

**SUBJECT:** Senate Bill 155: Landlord-tenant law changes, orders of abatement, and omitted references to court rules changes (Work Order No. 8LS-0376\K.14)

**TO:** Senator Steve Frank  
ATTN: David Skidmore

**FROM:** Jack Chenoweth  
Legislative Counsel 

Chris Christensen of the Alaska Court System alerted me to the omission of two court rule references from Senate Bill 155. I think his observation is correct. The enclosed amendment is intended to respond to his communication.

Proposed for addition to the forcible entry and detainer law (AS 09.45.070 - 09.45.160) in SB 155 is a new section, bill section 6. It would add AS 09.45.125 and, in essence, give a landlord who prevails in a forcible entry and detainer action the right to apply to the court immediately for a writ of assistance to secure the eviction of the tenant. Chris pointed out that there are two civil rules--one generally applicable and one in the District Court rules--that impose automatic stays on court judgments, for ten and two days, respectively, in which a courts will not provide relief or otherwise support a prevailing party's efforts to secure relief under the judgment. Depending on whether a forcible entry and detainer action is heard and disposed of in superior court (in which case the ten day delay under the civil rule would apply) or in the district court (in which case the two day delay of the district court civil rule would be applicable), AS 09.45.125 sets aside the effect of the automatic stay in either case.

The proposed statute would modify the respective rules, so the court rule change process of article IV, section 15 of the state constitution should be followed and a two-thirds vote secured on the provision. Since that may not happen, I have added a provision that would set proposed AS 09.45.125 aside if that vote is not obtained.

JBC:gc  
93-259.glc  
Enclosure

PROPOSED AMENDMENT

A M E N D M E N T

OFFERED IN THE SENATE

TO: SB 155

Page 1, line 5, after "premises":

Insert "; and amending Rule 62(a) of the Alaska Rules of Civil Procedure and Rule 24(a) of the Alaska District Court Rules of Civil Procedure"

Page 12, following line 16:

Insert new bill sections to read:

"\* Sec. 27. AS 09.45.125, added by sec. 6 of this Act, allowing orders to vacate and writs of assistance to issue at the same time as the entry of judgment c.: at any later date, has the effect of amending Rule 62(a) of the Alaska Rules of Civil Procedure and Rule 24(a) of the Alaska District Court Rules of Civil procedure by eliminating the respective periods of automatic stays of enforcement upon judgment for orders to vacate premises.

\* Sec. 28. AS 09.45.125, added by sec. 6 of this Act, takes effect only if sec. 27 of this Act receives the two-thirds majority vote of each house required by art. IV, sec. 15, Constitution of the State of Alaska."

**CREDIT SERVICES, INC.**

Alaska's TRANS UNION Serviced Credit Bureau

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770 8th Avenue, Suite D  
 P.O. Box 72739  
 Fairbanks, AK 99707

100 West International Airport Rd.  
 Suite 207  
 Anchorage, Alaska 99518

March 23, 1993

Sen. Steve Frank  
 P.O. Box V  
 Juneau, AK 99801-1182

*RE: Support for SB155*

Dear Sen. Frank:


I have read SB155, I have listened to several hundred landlords in Fairbanks, Anchorage and Juneau, I have had discussions with several organizations which help consumers, and I have read the discussions surrounding Sen. Pourchet's bill, SB35. To borrow text from Mr. Clockson, "this letter is submitted by me on my own behalf and on behalf of the thousands of tenants who live in" Alaska and on behalf of the approximately two hundred landlords who use our services.

*I support SB155; it is reasonable. Furthermore, SB155 is beneficial to our communities.* When tenants understand that their responsibility to their landlords is as important as paying their charge cards, or their automobile, bills on time--and certainly far more important than buying more beer and partying--then perhaps we'll have more civil neighborhoods. As property destruction is reduced, so, too, rents may be reduced because landlords won't have to pay out of pocket for unrecoverable damages. Our communities will become more livable, once again when tenants understand that landlords have been empowered to more quickly respond to tenants' negligent, illegal, or malicious behavior.

I will be available to testify via teleconference at tomorrow's State Affairs Committee hearing and may address further, more substantial, comments in a follow-up letter.

Thank you for your sponsorship and continued support of this bill.

Sincerely,

  
 Douglas W. Isaacson  
 Alaska Statewide Director

phone 463-5580

MYRON W. KLEIN  
3264 PIONEER AVENUE  
JUNEAU, ALASKA 99801-1964

March 18, 1993

Honorable Steve Frank  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Frank:

I am writing in support of passage of SB 155, an act relating to landlords and tenants. I am in the business of renting apartments, mobile homes, mobile home space and commercial space in Juneau and Anchorage to over 150 tenants.

Prior to 1990, I rented apartments to tenants if the tenant could pay a security deposit of \$300. With such a small security deposit, over 70% of the tenants would move out owing unpaid rent, cleaning charges and damages. After applying the security deposit against the unpaid balance the average unpaid balance was about \$500. Even after sending the accounts to a collection agency, I am still owed over \$50,000 by former tenants.

Beginning in 1990, I required a tenant to pay a security deposit of approximately 1.5 times the monthly rent rate. Tenants who pay these larger deposits exhibit better financial and living conduct while living in my apartments. Tenants with large deposits leave an apartment owing very little rent, cleaning charges or damages. These tenants usually receive most of their security deposit back. I seldom lose money to tenants with large deposits.

Unfortunately for potential tenants, many can not find a place to live because of the large security deposit requirement. My records show that approximately 1 in eighteen callers is able to afford the security deposit and out of the 1 in eighteen callers, only half will qualify for the apartment based on income and rent history.

SB 155 will benefit landlords because it will enable them to protect their assets against losses and will benefit tenants because the amount of security deposit can be reduced. The shorter time cycles to evict non-paying, disruptive or abusive tenants will help reduce the potential loss a landlord may have to incur. Indeed, if a landlord could remove a non-paying, disruptive or abusive tenant as promptly as a hotel can, the amount of security deposit could be drastically reduced from its present level. Any reduction in the amount of time required to remove a non-paying,

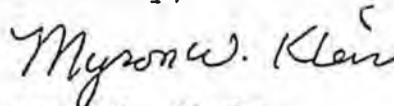
disruptive or abusive tenant reduces the cost of doing business. By reducing the cost and risk of doing business, the return on investment for rental property will improve and it will be that much sooner when new rental property is constructed.

A landlord is in the credit granting business because a consumer is allowed to take possession of an asset typically worth up to 100 times the amount of monthly rent. An apartment renting for \$850 in Juneau, presently costs about \$42,500 to acquire and about \$68,000 to build new. There is no other business where a consumer can take possession of such a valuable asset on so little security. A \$25,000 rental car can not be rented unless a major credit card is posted as security or a significant cash deposit is made. However, the rental company has a clause in its contract that treats the unauthorized retention of the car beyond the rental period as a theft. Consequently, the rental car company need only call the police and report the car as stolen to obtain prompt return. If prompt return is not obtained, the rental car company can claim a full loss against its insurance carrier. On the other hand, a landlord with twice as valuable an asset in the possession of a consumer, is required to go to court to repossess his asset. It is ironic that a landlord is the largest consumer credit grantor in the business community, but is denied the legal right to promptly repossess his property when its use is not being compensated for or the property is undergoing daily damage by the possessor.

SB will help reduce that disparity. It will reduce the cost of doing business for landlords. It will improve the opportunity for potential tenants to find affordable living accommodations. Prompt pay, non-disruptive or non-abusive tenants will have better access to housing and will not have to tolerate a noisy disruptive neighbor for as long a period as under present law. A landlord will be able to take quicker action to evict a tenant whose drug or alcohol activity is affecting children in neighboring apartments.

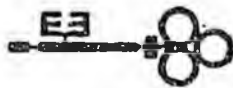
I urge passage of SB 155.

Sincerely,



Myron W. Klein

# Helms Properties



1434 Fairbanks, Alaska 99701  
Lacey Street

Fairbanks, Alaska 99701  
(907) 452-2905

March 7, 1993

SENATOR: STEVE FRANK

I have been a landlord in Alaska for over thirty years. I have come to the conclusion that there needs to be some changes made in the current law to give protection to the landlord. As the law reads now the landlord has basically no rights.

I would like to encourage you to support the working draft introduced by Senator Steve Frank. The proposed changes are fair and reasonable. I hope you would also come to the same conclusion as I and give this proposed bill your enthusiastic support.

Sincerely,

Charles Helms  
1434 Lacey St.  
Fbks, AK 99701

March 5, 1993

RECEIVED MAR - 6 1993

Senator Steve Frank  
State Capitol  
Juneau, Alaska 99801-1182

Hon. Frank Alaska State Senator;

I am writing asking your support of the bill dealing with tenant landlord relations.

I along with my son-inlaw and daughter own one hundred and twenty four rental units--located in apartments from a twenty seven unit down to four plexs in the Fairbanks area.

The present law is totally inadequate. Good tenants have no fear of the proposed new law--only the drunks and irresponsible people who create unreasonable situations.

In 1988 I purchased my first 4/plex. It had two tenants and three bitch dogs who had produced thirty-six pups in the apartment that year. After taking possession I hand gave them a ten day eviction notice. With the help of a lawyer and a judge they were finally evicted seventy days after my eviction notice.

The cost to redo the two bedroom apartment extended well over \$5,000. Welcome to being a landlord.

I believe this new bill could address some of these problems.

Thanks for your consideration.

Sincerely yours,

  
Donald R. Blanc

415 5th Ave.

Fairbanks, Alaska 99701

# PETITION

We, the undersigned, are supporters of SB155/HB222, as introduced. These bills revise the Landlord Tenant Act to make the laws apply more equally between landlords and tenants.

#	Signature	Print Name	Address	Landlord	No. Units	Tenant	Other
1	<i>Holly Hoff</i>	HOLLY HOFF	79801 JUNEAU 1050 Salmon Ct NW B202	✓	26		
2	<i>[Signature]</i>	DOUGLAS W. ISAACSON	PO BOX 72739 FEB 99707				✓
3	<i>Cathy Crawford</i>	Cathy Crawford	8085 Glacier Hwy #101				
4	<i>Jim Wilcox Sr</i>	Jim Wilcox Sr	1914 Churchill St #104	✓	200		
5	<i>Victoria Wilson</i>	Victoria Wilson	P.O. Box 21847	✓	2		✓
6	<i>Maria Mattson</i>	Maria Mattson	8800-219 Glacier Hwy	✓	100		
7	<i>John Williams</i>	John Williams	" " " "	✓			
8	<i>Marty Holmberg</i>	Marty Holmberg	7833 N. Douglas Hwy	✓	9		
9	<i>J. Limer</i>	J. Limer	4193 Columbia Blvd				✓
10	<i>Dale R. Mazzei</i>	Dale R. Mazzei	1717 Douglas Hwy #10	✓	10		
11	<i>Cindy K. Flanigan</i>	Cindy K. Flanigan	8363 Old <del>Glacier</del> Rd				✓
12	<i>Lorilyn E. Swanson</i>	Lorilyn E. Swanson	" " "		75		✓
13	<i>Donald R. Schultz</i>	DONALD R. SCHULTZ	P.O. Box 34662, JUNO 99003	✓	200		
14	<i>Judy Schultz</i>	JUDY SCHULTZ	P.O. Box 34662, JAN 99003				✓
15							
16							
17							
18							

March 19, 1993

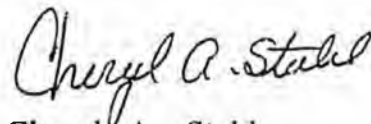
Senator Steve Frank  
State Capitol  
Juneau, AK 99801-1182

Dear Senator Frank:

I am in support of SB155 to change the landlord/tenant laws. These changes are not meant to hurt the good tenant, but would help support the landlords in keeping their apartments in good shape for all tenants when and if there is one bad apple in the bunch. As it stands right now, the good tenants are also in jeopardy when there is someone that is being obnoxious and knows that the landlord can't do anything legally to evict them.

The new changes are not meant to help the landlord have the upper hand but to make the laws more equal, both for the good tenant and the landlord. I do not believe that these laws are too outrageous as most other states have similar and sometimes stricter laws to protect the landlord from vandalism, violence and non-payment of rent.

Sincerely,



Cheryl A. Stahl  
P.O.B 56627  
North Pole, AK 99705

March 9, 1993

Mr. Steve Frank  
Alaska State Legislature  
P.O. Box 11  
Juneau, Alaska

1 1993  
MARCH 9 1993

Dear Mr. Frank,

I understand that you are going to introduce a Landlord-Tenant Bill. As you know, Mr. Frank introduced SB-35 in the last session, which unfortunately died in the House in the last days of the session.

Landlords need help with the delinquent, defaulting, and destructive types of tenants and we hope that your bill will pass. I would like to see a copy of your proposal.

Enclosed are five copies of newspaper articles pertaining to bad tenants.

Sincerely,

Charles F. Lipsett

2203 McKindy Ave.

Juneau, Alaska

March 22, 1993

RE. SB 155

Dear Senator Lemau

SB 155 is a very important bill that will allow landlords some relief to the problems generated by individuals using business and rental property for illegal purposes. The changes to AS 09.50.170 are long over due. I have participated in attempts to close down numerous illegal businesses fronting for prostitution in Spenard using AS 9.50.170 and can provide you with some valuable information on the course the trial has taken. Some sections of this bill are very well written and will, if implemented, make the closure of illegal businesses a simpler task.

I would recommend the following changes and additions to SB 155

Page 5 line 5 ~~(1) prostitution; or~~

Change to: ~~(1) prostitution, assignation; or~~

Reason: prostitution is a much more difficult standard to prove, most arrests are made under the term assignation. If Anchorage police officers were required to physically engage in sexual contacts with a prostitute, very few if any arrests for "prostitution" would ever occur at any illegal business fronting for prostitution.

(From Chapter 8.14 MOA Definitions;

"Assignation" means the making of an appointment or engagement for prostitution or an act in furtherance of such appointment or engagement.

"Prostitution" means the giving or receiving of the body for sexual conduct for hire.

Page 5 line 16 - 17 In an action brought under AS 09.50.170 (a), the court may consider evidence of reputation within a community to prove the existence of a nuisance.

Change to: (1) In an action brought under AS 09.50.170 (1) (2a) the court may consider evidence of reputation within a community to prove the existence of a nuisance and;  
(2) May consider hearsay evidence from the courts own records for previous complaints, arrests or convictions under Federal, State or Municipal laws pertaining to violations for prostitution, assignation or illegal activity involving alcoholic beverages.

Reason: This section provides for the court to consider not only the reputation of the establishment but for example in the on going case "Spenard Action Committee vs Lot 9 B'k 3" the case has dragged on for years in the courts. The fact no current arrests for prostitution have occurred at the properties in question for 3 to 4 years, (this does not mean prostitution no longer takes place at these businesses, simply stated is the fact, that for some reason the Anchorage Police Department has not attempted to make a case in over 4 years) and now makes proving to the court that a nuisance "exists" somewhat a difficult task for some judges. Perhaps adding additional language to line 20 page 5 to include the word "existed" and perhaps add some additional language.

The term "exists" has no definition as to length of intervening time from when the act of said assignation occurred on the property to when it no longer exists. (If the girl that was arrested for assignation is fired the next morning, does that purport to mean that prostitution no longer occurs on the property) Perhaps defining along with "exists" include "provided that, the nature or character of the business has not appreciably changed subsequently to the order seeking abatement under AS 09.50.170 was first initiated."

Page 9 line 31: involving alcoholic beverages, an illegal activity involving a controlled substance, or

Change to: involving prostitution, assignation, or an illegal activity involving alcoholic beverages, an illegal activity involving a controlled substance, or

Page 11 line 19: Add to Sec. 24 a definition under (22) "prostitution or assignation" means

Reason: By leaving out prostitution and assignation in this section assumes prostitution and assignation is not a problem, when in fact most if not all illegal prostitution operations are now setting up in residential apartment units.

Page 12 line 4: in an illegal activity involving alcoholic beverages, an illegal activity involving a

Change to: in an illegal activity involving prostitution or assignation, an illegal activity involving alcoholic beverages, an illegal activity involving a controlled substance,

Also add to Page 12 line 13: illegal activity involving prostitution, assignation changes if needed

In closing I would be interested in attending any hearings on SB 155. Please feel free to contact me at 243-7168 anytime or during days I can also be reached at 248-2828. The Spenard Action Committee has redefined AS 09.50.170 over the past 4 years through the Courts. It has been a long and costly experience. Well written laws that judges can understand and interpret saves the court valuable time and the litigants incredible sums of money in attorney fees and court costs. Thanks for your time and help with our concerns at the Spenard Community Council and the Spenard Community Patrol.

Sincerely,

Dave Erlich

**Problem**

Tenant fails to pay rent when due.

**Current Procedure**

1. Landlord gives notice of nonpayment & intention to terminate rental agreement if rent is not paid.  
See AS 34.03.220(b).

2. Tenant has 10 days to pay rent or vacate premises.  
See AS 34.03.220(b).

3. If rent is not paid, then tenancy terminates, the landlord may terminate the rental agreement, & immediately seek to recover possession of the rental unit; in addition, it becomes a case of unlawful holding.  
See AS 34.03.220(b).  
Also see AS 09.45.090(1).

4. Court must schedule trial no earlier than 2 days after receipt of summons by tenant & no later than 15 days after landlord files complaint.  
See AS 09.45.120.  
Also see Civil Rule 85, Alaska Rules of Court.

5. If judge decides in favor of landlord, tenant will be served a court order to vacate premises; the time allowed varies.

6. If tenant still does not vacate premises, landlord can get writ of assistance that permits police to participate.

**Proposed Procedure\***

1. Landlord gives notice of nonpayment & intention to terminate rental agreement if rent is not paid.

2. Tenant has 5 days to pay rent or vacate premises.  
See bill sec. 2 & 21.

3. If rent is not paid, then tenancy terminates, the landlord may terminate the rental agreement, & immediately seek to recover possession of the rental unit; in addition, it becomes a case of unlawful holding.

4. Court must schedule trial no earlier than 2 days after receipt of summons by tenant & no later than 15 days after landlord files complaint.

5. If judge decides in favor of landlord, tenant will be served a court order to vacate premises; the time allowed varies. The court may issue a writ of assistance at the same time if it so chooses.  
See bill sec. 6.

\* Changes underlined.

LANDLORD / TENANT FLOWCHART

**Problem**

Tenant holds premises without written lease or agreement against landlord's wishes.

**Current Procedure**

1. Landlord serves tenant with notice to quit premises.  
See AS 09.45.100

2. Tenant has 10 days to vacate premises.  
See AS 09.45.110

3. If tenant remains after expiration of 10 days, it becomes a case of unlawful holding by force, & landlord may seek to recover possession of premises.  
See AS 09.45.090  
Also see AS 09.45.110

4. Court must schedule trial no earlier than 2 days after receipt of summons by tenant & no later than 15 days after landlord files complaint.  
See AS 09.45.120  
Also see Civil Rule 85, Alaska Rules of Court

5. If judge decides in favor of landlord, tenant will be served a court order to vacate premises; the time allowed varies.

6. If tenant still does not vacate premises, landlord can get writ of assistance that permits police to participate.

**Proposed Procedure\***

1. Landlord serves tenant with notice to quit premises.  
See AS 09.45.100

2. Tenant must vacate premises immediately.  
See bill sec. 2 & 5

3. If tenant remains, it becomes a case of unlawful holding by force, & landlord may seek to recover possession of premises.  
See bill sec. 2 & 5.

4. Court must schedule trial no earlier than 2 days after receipt of summons by tenant & no later than 15 days after landlord files complaint.  
See AS 09.45.120  
Also see Civil Rule 85, Alaska Rules of Court

5. If judge decides in favor of landlord, tenant will be served a court order to vacate premises; the time allowed varies. The court may issue a writ of assistance at the same time if it so chooses.  
See bill section 6

\* Changes underlined.

### **Problem**

Tenant continues in possession of premises at expiration of lease against wishes of landlord.

### **Current Procedure**

1. Landlord serves tenant with notice to quit premises.  
See AS 09.45.100

2. Tenant has 10 days to vacate premises.  
See AS 09.45.110

3. If tenant remains after expiration of 10 days, it becomes a case of unlawful holding by force, & landlord may seek to recover possession of premises.  
See AS 09.45.090  
Also see AS 09.45.110

4. Court must schedule trial no earlier than 2 days after receipt of summons by tenant & no later than 15 days after landlord files complaint.  
See AS 09.45.120  
Also see Civil Rule 85, Alaska Rules of Court

5. If judge decides in favor of landlord, tenant will be served a court order to vacate premises; the time allowed varies.

6. If tenant still does not vacate premises, landlord can get writ of assistance that permits police to participate.

### **Proposed Procedure\***

1. Landlord serves tenant with notice to quit premises.  
See AS 09.45.100

2. Tenant has 5 days to vacate premises.  
See bill sec. 2 & 5

3. If tenant remains after expiration of 5 days, it becomes a case of unlawful holding by force, & landlord may seek to recover possession of premises.  
See bill sec. 2 & 5

4. Court must schedule trial no earlier than 2 days after receipt of summons by tenant & no later than 15 days after landlord files complaint.  
See AS 09.45.120  
Also see Civil Rule 85, Alaska Rules of Court

5. If judge decides in favor of landlord, tenant will be served a court order to vacate premises; the time allowed varies. The court may issue a writ of assistance at the same time if it so chooses.  
See bill section 6.

\* Changes underlined.

**Problem**

Tenant violates condition of lease or condition of AS 34.03.120(a).

**Current Procedure**

1. If the breach is one materially affecting health & safety, the landlord may give tenant written notice specifying both the details of the breach & that the rental agreement will terminate in 20 days. See AS 34.03.220

2. If breach is able to be remedied & tenant adequately does so, rental agreement will not terminate. See AS 34.03.220

3. If breach is not remedied in 10 days, rental agreement terminates as specified in notice. See AS 34.03.220

4. If tenant remains after expiration of 20 days, it becomes a case of unlawful holding by force, & landlord may seek to recover possession of premises. See AS 09.45.090 Also see AS 09.45.110

5. Court must schedule trial no earlier than 2 days after receipt of summons by tenant & no later than 15 days after landlord files complaint. See AS 09.45.120 Also see Civil Rule 85, Alaska Rules of Court

6. If judge decides in favor of landlord, tenant will be served a court order to vacate premises; the time allowed varies.

7. If tenant still does not vacate premises, landlord can get writ of assistance that permits police to participate.

8. If same breach occurs again within 6 mos., landlord may terminate tenancy at 10 days' notice. See AS 34.03.220

9. There is another process for breaches of this sort that is set out in AS 09.45, but AS 34.03.220 would probably have legal precedence as it was adopted at a later date.

**Proposed Procedure\***

1. Landlord serves tenant with notice to quit premises that specifies the details of the breach and that the rental agreement will terminate in 24 hours. See bill sec. 20

2. If breach is able to be remedied & tenant does so to the satisfaction of landlord, rental agreement will not terminate. See bill sec. 20

3. If breach is not remedied in 24 hrs., or is not able to be remedied, then the tenancy is terminated & the tenant must quit premises immediately. See bill sec. 20

4. If tenant remains after expiration of 24 hrs., it becomes a case of unlawful holding by force, & landlord may seek to recover possession of premises. See bill sec. 2 & 5

5. Court must schedule trial no earlier than 2 days after receipt of summons by tenant & no later than 15 days after landlord files complaint,

6. See (6) & (7) above; court may do both at same time. See bill sec. 6

\* Changes underlined.

### **Problem**

Tenant engages in an illegal activity in rental unit (or knowingly permits others to do so) involving alcohol, controlled substances, limitation controlled substances, or prostitution.

### **Current Procedure**

1. Current statutes do not specifically address the tenant's responsibility not to engage in illegal activity involving alcohol or controlled substances.

2. If tenant is suspected of engaging in prostitution, atty. general or a citizen may bring action in court to enjoin the nuisance & person(s) maintaining it.  
See AS 09.50.180

3. If court determines that tenant is engaging in prostitution, tenant is guilty of maintaining a nuisance, & court shall issue an order of abatement that closes the bldg. where nuisance took place for one year.  
See AS 09.50.170 and AS 09.50.210

4. If landlord was unaware of activity, court may release premises to him upon fulfillment of certain conditions.  
See AS 09.50.230

### **Proposed Procedure**

1. If tenant engages at premises in illegal activity involving alcohol/controlled substances, landlord may deliver notice to quit.  
See bill sec. 2

2. Tenant has 5 days to vacate premises.  
See bill sec. 2

3. If tenant remains after expiration of 5 days, it becomes a case of unlawful holding by force, & landlord may seek to recover possession of premises.  
See bill sec. 2

4. If tenant is accused of engaging in prostitution, or illegal activity involving alcohol/controlled substances, court may consider evidence of reputation w/in a community to prove the existence of a nuisance.  
See bill sec. 10

5. If court determines that tenant did commit alleged violation, then tenant is guilty of maintaining a nuisance.  
See bill sec. 8

\* Changes underlined.

(Continued on next page.)

6. The court shall enter an order of abatement that terminates the rental agreement & closes the bldg./place where the activity took place.  
See bill sec. 11

7. If landlord was unaware of illegal activity, court may release premises to him/her upon fulfillment of certain conditions.  
See bill sec. 12

8. An order of abatement shall be presumptive evidence of an unlawful holding by force and it shall automatically terminate the rental agreement.  
See bill sec. 7 & 22

9. If tenant fails to vacate premises after court issues order of abatement, landlord may obtain writ of assistance from the court.

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO: SB 155

Revision Date: 3/23/93 Dept. Affected: Public Safety  
 Title: "An act relating to landlords and tenants termination." BRU: Alaska State Troopers  
 Component: Criminal Investigations Bureau  
 Sponsor: Senators Frank Leman Pearce  
 Requestor: Senator Frank COMPONENT SERIAL NO. 830

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	19.0	19.0	19.0	19.0	19.0	19.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>
CAPITAL						
REVENUE FUND SOURCE:						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	19.0	19.0	19.0	19.0	19.0	19.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>

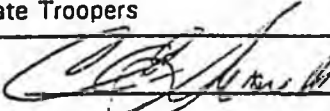
POSITIONS:

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

Estimate of current year (FY 93) impact: \$ \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

See attached analysis.

Prepared By: Francis C. Allan Phone: 269-5691  
 Division: Alaska State Troopers Date: 3/23/93  
 Approved by Commissioner:  Date: 3/23/93  
 Agency: Richard L. Burton, Dept. of Public Safety

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

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SB 155 amends existing landlord-tenant laws to allow property owners to terminate rental agreements for residential property with renters engaged in certain alcohol and drug violations. The bill creates a duty on the part of peace officers who arrest persons for certain alcohol, drug, and imitation drug offenses committed in residential rental property to make a reasonable effort to discover the identity of the property owner and to notify the owner of the arrest either in person or at the last address listed on tax records and at any other address known to the peace officer(s).

The notice requirement found in Sec. 1 applies to alcohol violation arrests for sales from unlicensed premises where prohibited by local option; notice requirements found in Sec. 13 apply 1) to drug violations involving the manufacture or distribution of all drugs except small amounts of marijuana; 2) to imitation drug violations involving the manufacture or distribution of imitation drugs, or 3) possession of certain precursor chemicals used in the manufacture of imitation drugs.

Although the Alaska State Troopers estimates approximately 130 arrests for violation of the "local option" laws annually, they find no arrests for violation of the statute AS 04.11.010(b) cited in Sec. 24. The Troopers make approximately 500 arrests annually for applicable drug offenses. It is expected that approximately 85% of the drug offenders reside in rented property.

Based upon past arrests for these offenses, it is estimated that the Department of Public Safety will have to notify approximately 425 property owners per year.

There will be fiscal impact upon the Alaska State Troopers. For arrests requiring a written notice, we estimate that research required to identify the property owner, determine the last address listed on tax roles and any other addressed known to police, and to prepare the written notice, will take approximately two (2) staff hours of research time per occurrence. There will be costs for materials, preparation time, and postage.

Since these offenses will be spread throughout the state, no one person would handle them all; the impact would be felt by the detachment personnel handling the cases. Overtime will be needed for this additional work.

#### Overtime calculations

425 Incidents x 2hrs x \$22.31per hr.\*= \$18,963.50  
\*Clerk Typist III, Range 8/A overtime rate per PACS.

FISCAL NOTE

BILL NO. SB 155

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

Revision Date: March 16, 1993  
Title: ...relating to landlords and tenants...termination of tenancies...recovery of rental premises...  
Sponsor: Senator Frank  
Requestor: Senator Frank

Department Affected: Department of Law  
SRU: Legal Services  
Component: Fair Business Practices  
COMPONENT SERIAL NO. 1823

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	10.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	10.0	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING:

1002 Federal Receipts						
1003 GF Match						
1004 GF	10.0					
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
TOTAL	10.0	-0-	-0-	-0-	-0-	-0-

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

Estimate of current year (FY93) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

Please see the attached analysis.

Prepared by: Richard I. Peques, Director  
Division: Administrative Services Division

Phone: 465-3672  
Date: March 16, 1993

Approved by Commissioner: Charles E. Cole, Attorney General  
Agency: Department of Law

Date: March 16, 1993

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# Alaska State Legislature

STEVE FRANK

119 N. Cushman, Rm. 213  
Fairbanks, Alaska 99701  
(907) 452-3421



While in Juneau  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-3709  
Capitol Rm. 417

## Senate

### SPONSOR STATEMENT FOR SB 155

TO: Senator Loren Leman, Chair  
Senate State Affairs Committee

FROM: Senator Steve Frank, Co-Chair  
Senate Finance Committee

DATE: March, 1993

SB 155, based in part on SB 35 from the 1992 session of the 17th Legislature, addresses several aspects of the landlord-tenant relationship. This bill was prepared in response to widespread concern that current law is excessive in its protection of the rights of abusive tenants.

SB 155 has three principal purposes. First, the bill amends the forcible entry and detainer statutes to expedite the landlord's ability to evict a tenant who has committed certain violations of the rental agreement (failing to pay rent when due, damaging the premises, or holding the premises without a rental agreement or upon expiration of the lease). Second, the bill makes the tenant's responsibility to maintain the dwelling unit more stringent and adds to the ability of a landlord to seek removal of an abusive tenant. Third, the bill amends the nuisance abatement statutes to include relief from criminal offenses involving alcohol or drugs and also to provide a landlord with the opportunity to recover possession of premises under the forcible entry and detainer remedy for such criminal activity by the tenant.

This bill would serve to protect landlords and responsible tenants from the damage caused by abusive tenants. I strongly urge you to support SB 155.

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO: CSSB 155(JUD)

Revision Date: 4/15/93 Dept. Affected: Public Safety  
 Title: "An act relating to landlords and tenants termination." BRU: Alaska State Troopers  
 Sponsor: Senator Frank Component: Criminal Investigations Bureau  
 Requestor: Senate Judiciary COMPONENT SERIAL NO. 830

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	19.0	19.0	19.0	19.0	19.0	19.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>
CAPITAL						
REVENUE FUND SOURCE:						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	19.0	19.0	19.0	19.0	19.0	19.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>

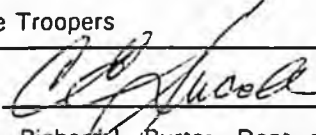
POSITIONS:

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

Estimate of current year (FY 93) impact: \$ \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

See attached analysis.

Prepared By: Francis C. Allan Phone: 269-5691  
 Division: Alaska State Troopers Date: 4/15/93  
 Approved by Commissioner:  Date: 4/15/93  
 Agency: Richard L. Burton, Dept. of Public Safety

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CSSB 155(JUD) amends existing landlord-tenant laws to allow property owners to terminate rental agreements for residential property with renters engaged in certain alcohol and drug violations. The bill creates a duty on the part of police officers who arrest persons for certain alcohol, drug, and imitation drug offenses committed in residential rental property to make a reasonable effort to discover the identity of the property owner and to notify the owner of the arrest either in person or at the last address listed on tax records and at any other address known to police. The notice requirement applies to alcohol violation arrests for sales from unlicensed premises and for possession or sale of alcohol where prohibited by local option; to drug violations involving the manufacture or distribution of all drugs except small amounts of marijuana; and to imitation drug violations involving the manufacture or distribution of imitation drugs, or possession of certain precursor chemicals used in the manufacture of imitation drugs.

The Alaska State Troopers estimates approximately 200 (two hundred) arrests for violation of the "local option" laws, and approximately 500 (five hundred) arrests for applicable drug offenses. It is expected that approximately 80% of the alcohol offenders and 60% of the drug offenders reside in rented property.

Based upon past arrests for these offenses, it is estimated that the Department of Public Safety will have to notify approximately 450 (four hundred fifty) property owners per year. We anticipate that in-person notice would be given in many cases.

There will be fiscal impact upon the Alaska State Troopers. For arrests requiring a written notice, we estimate that research required to identify the property owner, determine the last address listed on tax roles and any other addressed known to police, and to prepare the written notice, will take approximately 2-4 man hours of research time per occurrence. There will be costs for materials, preparation time, and postage.

Since these offenses will be spread throughout the state, no one person would handle them all; the impact would be felt by the detachment personnel handling the cases. It is difficult to quantify this impact, however, it will be absorbed within the existing workload. Notices will be mailed out in the normal course of business, as clerical staff finds time to process them.

BILL NO: SB 155

DATE: March 30, 1993

TITLE: "An Act relating to  
landlords and tenants. . ."

CONTACT: C.E. Swackhammer  
Deputy Commissioner  
465-4322

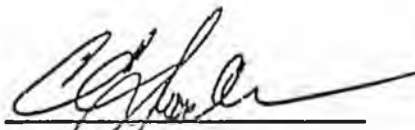
POSITION PAPER - Department of Public Safety

SB 155 amends existing landlord-tenant laws to allow property owners to terminate rental agreements for residential property with renters engaged in certain alcohol and drug violations. The bill creates a duty on the part of peace officers who arrest persons for certain alcohol, drug, and imitation drug offenses committed in residential rental property to make a reasonable effort to discover the identity of the property owner and to notify the owner of the arrest either in person or at the last address listed on tax records and at any other address known to the peace officer(s).

Based upon past arrests for these offenses, it is estimated that the Department of Public Safety will have to notify approximately 425 property owners per year.

There will be fiscal impact upon the Alaska State Troopers. For arrests requiring a written notice, we estimate that research required to identify the property owner, determine the last address listed on tax roles and any other address known to police, and to prepare the written notice, will take approximately two man hours of research time per occurrence. There will be costs for materials, preparation time, and postage. Where tax roles are computerized, this research time will be less, but will be offset by the majority of cases that will have to be hand searched in person at the borough tax office.

Although the provisions of this bill will create additional work for peace officers, the Department of Public Safety recognizes the problems created for property owners who find that they have rented to alcohol or drug violators. Allowing property owners to evict arrested drug and alcohol violators would help neighborhoods take an active role in fighting the war on drug and alcohol abuse. This law gives property owners a tool to help clean up their rental properties.

  
Richard L. Burton  
Commissioner

**DIVISION OF LEGAL SERVICES**

**LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA**

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

150 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

MEMORANDUM

March 12, 1993

**SUBJECT:** Senate Bill 155, amending the state's landlord-tenant laws (AS 34.03) and the related civil remedy of forcible entry and detainer (AS 09.45.060 - 09.45.160), and making related changes (Work Order No. 8-LS0376K)

**TO:** Senator Steve Frank  
ATTN: David Skidmore

**FROM:** Jack Chenoweth  
Legislative Counsel

Senate Bill 155 duplicates and extends changes proposed by the Senate-passed version of last session's Senate Bill 35 (CSSB 35 [Judiciary]).

This memo is by way of response to your request for a sectional analysis of the bill.

\* \* \*

The bill has three principal purposes, all applicable to the landlord-tenant relationship:

First, the measure substantially amends statutes applicable to the forcible entry and detainer remedy (AS 09.45.060 - 09.45.160) to expedite a landlord's ability to evict a tenant for failure to pay rent when due and for a tenant's damage to the landlord's property.

Second, provisions of the bill revise the obligation of a tenant under the state's Uniform Residential Landlord and Tenant Act (AS 34.03) and add to the ability of a landlord to seek removal of an abusive tenant.

Third, the measure amends the state's nuisance abatement statutes (AS 09.50.170 - 09.50.240) expanding that remedy to cover the identified criminal offenses involving alcohol or drugs, allowing persons

LEGAL SECTIONAL

to seek redress under the nuisance abatement law for criminal activity in premises that constitutes a nuisance. As a supplemental remedy, the measure amends statutes to give a landlord the opportunity to recover possession under the forcible entry and detainer remedy for that criminal activity by the tenant.

I propose to address the measure's provisions topically rather than sequentially.

#### EXPEDITED EVICTION OF TENANT FOR FAILURE TO PAY RENT WHEN DUE:

Proposed bill section 2 amends AS 09.45.090 in part as follows: The amendment to (1)(A) reduces from ten days to five days the period in which a landlord must wait after making written demand for possession of rented premises to commence forcible entry and detainer proceedings to secure a tenant's eviction in the event the tenant fails to pay rent when due. No notice separate from that required to be given under the Uniform Residential Landlord and Tenant Act (AS 34.03), as amended by bill section 21, is required.

Bill sections 3 and 4 make related changes. These sections, read together, carry forward the current requirement of allowing three days additional notice if, under the forcible entry and detainer remedy, notice to the tenant to quit is provided by mail.

Bill section 5 adds authority by which, at the end of a forcible entry and detainer action, the court may enter an order to vacate against the tenant and, at the same time, may provide a landlord who requests a writ of assistance to recover possession of the premises.

As has been previously noted, a related change is made in the Uniform Residential Landlord and Tenant Act (AS 34.03) by bill section 21. The change made to AS 34.03.220(b) conforms the number of days in which the tenant must pay rent after receiving written notice of rent nonpayment.

#### REVISION OF TENANT OBLIGATIONS:

##### I

Several bill sections are included to respond to your concern that a tenant be held "responsible for damage done by him/her or by his/her guests." Current law—AS 34.03.120—assigns certain responsibilities in the landlord-tenant relationship to the tenant. Among them are the duty to use facilities and appliances in a reasonable manner, and the duty not to deliberately or negligently abuse the premises or to knowingly allow others to do so. Changes to AS 34.03.120 made by bill section 18

make the tenant's obligations more stringent by eliminating the qualifying adjectives from AS 34.03.120.

Additionally, making the tenant's obligations more stringent implicates the definition of "damages" for purposes of ascertaining whether or not a tenant is due a refund of all or any portion of a security deposit. "Damages" is, in current law, a term whose definition is divided between AS 34.03.070(b) and AS 34.03.360(18). Bill section 15 reworks the definition of "damages," and bill section 26 repeals AS 34.03.360(18). As a result, if this bill passes in this form, no one need worry about whether a tenant acted intentionally or negligently. Rather, if the tenant caused any damage beyond wear and tear due to "normal, nonabusive living," the tenant may be held responsible for damages.

## II

For instruction, the bill incorporates a checklist approach "that lists the items in the apartment and describes the condition of these items and of the apartment itself." It distinguishes between a premises condition statement and a contents inventory. Bill section 14 gives the landlord the right to require preparation of these documents and indicates how the documents may be made part of the rental agreement. Bill section 16 gives the landlord the right to require the tenant to execute a statement and inventory before making possession of the premises available. At the same time, the landlord is required to indicate to the tenant how the information on the statement/inventory may be used. Bill section 23 establishes the statement/inventory as "presumptive evidence of the condition of the premises and its contents at the commencement of the term of the period of occupancy" in order to support any later claim for damages. Bill section 17 addresses the status of a statement/inventory in the event a landlord sells to a purchaser leaving the tenant in residence.

## III

As to the landlord's having the ability to seek summary eviction, see the revision of AS 34.03.220(a) in bill section 20 and the addition made to AS 09.45.110(2) in bill section 5. The changes to AS 34.03.220(a) made by bill section 20 reflect the toughening of the tenant obligation requirements of current AS 34.03.120—it becomes AS 34.03.120(a) by this bill—so that any noncompliance with an element of the rental agreement or of a requirement set down in AS 34.03.120(a) would allow the landlord to commence proceedings to recover tenancy on minimal notice, replacing the 20 day notice of current law. The tenant has an opportunity to take corrective action to remedy the breach but the remedies need not be just "adequate" but, instead, must "satisfy the landlord."

#### NUISANCE ABATEMENT:

Bill section 8 revises AS 09.50.170. It deletes in that section outdated references to "lewdness, assignation, . . . or any other immoral act"--currently part of the existing basis for nuisance abatement relief--retaining the reference in the current law to "prostitution" and adding an illegal activity involving alcoholic beverages, a controlled substance, or an imitation controlled substance as grounds for relief under the nuisance abatement statutes.

Bill section 9 defines the three additional criminal activities that may trigger nuisance abatement relief, cross-referencing them to the meanings of those terms set out in the Uniform Residential Landlord and Tenant Act.

Following the California statutory model recommended to me while the bill was under consideration during the 17th Legislature, I have included bill section 10, a new section, AS 09.50.175, that would allow the court to consider evidence of reputation within a community if relief is sought under the expanded version of the nuisance abatement relief statute.

Bill section 11 recasts existing law under which a court may issue a nuisance abatement order. The principal substantive change adds the underlined material in (a)(1) and directs the termination of the lease or rental agreement on premises subject to the abatement order if the tenant has been given notice of the nuisance abatement proceedings.

The substantive change made by bill section 12 adds flexibility in the abatement remedy by giving the court latitude to determine the amount of bond with sureties necessary when premises under abatement are to be returned to the owner rather than maintaining the requirement that the value of that bond reflect the full value of the property. The provision also adds, as a new subsection (c), a statement to clarify that, if an abatement order is subsequently canceled because of compliance with (a) of that section, the related lease or rental agreement--terminated with the issuance of the abatement order under the authority of AS 09.50.210(a)(1) [bill section 10]--is not automatically revived.

Bill section 22 directs that, under the Uniform Residential Landlord and Tenant Act, an order of abatement entered by the court terminates the related rental agreement.

Bill section 24 identifies the particular activities involving alcoholic beverages, controlled substances, and imitation controlled substances that warrant relief under the expanded nuisance abatement provisions. Generally, these statutes identify sales and possession with intent to sell in violation of law. The measure uses reference to "a violation" of one of the criminal statutes cited.

FORCIBLE ENTRY AND DETAINER REMEDY AS ALTERNATIVE OR SUPPLEMENT TO NUISANCE ABATEMENT:

Proposed bill section 2 amends AS 09.45.090 in part as follows:

-- The amendment made to subparagraph (1)(B) sets five days as the period in which a landlord must wait after giving notice to quit and making written demands for possession of rented premises to commence a forcible entry and detainer proceeding in the event the tenant has violated provisions of the Uniform Residential Landlord and Tenant Act against knowing engagement in certain illegal activities involving alcohol or drugs on premises or for violation of a similar provision in rented premises not covered by that Act.

-- The amendment made to paragraph (3) authorizes the landlord to use the forcible entry and detainer remedy to enforce an order of abatement. Under the provision, the landlord may, after obtaining the abatement order under AS 09.50.-210(a), seek immediate relief.

A related provision, bill section 7, a new section, authorizes the use of an abatement order, obtained at the end of a trial under the nuisance abatement statute, to serve as prima facie evidence of unlawful holding of premises by force for purpose of the hearing required by the forcible entry and detainer process.

OTHER RELATED CHANGES:

Bill sections 1 and 13, adding AS 04.21.075 and AS 17.30.160, respectively, impose on peace officers the requirement to notify a landlord when a tenant has been arrested for violation of one of the identified criminal offenses involving alcohol or drugs.

Proposed bill section 2 amends AS 09.45.090 in part as follows: The addition of material in (2)(B) is included in order to authorize a landlord to recover premises after a notice to quit is given for the tenant's breach of a condition or covenant other than nonpayment of rent or engaging in identified criminal activity involving alcohol or drugs.

Bill section 19 adds as a tenant's duty the obligation of the tenant not to engage in illegal activities on rented premises or to knowingly allow others in the premises to do so.

The measure's bill section 25 adds a codified section, proposed AS 34.05.100, extending to tenancies not covered by the Uniform Residential Landlord and Tenant Act the provisions establishing the duty on the tenant not to use the rented premises for illegal activities. Under this new section, noncompliance with the provision is a

Senator Steve Frank  
March 12, 1993  
Page 6

basis for seeking relief through the nuisance abatement process and, as with bill section 22 above, an order of abatement covering a premises that falls within this section terminates the rental agreement.

\* \* \*

JBC:pl  
93-190.plm

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. SB 155

ANALYSIS (Continued):

This bill amends several statutes relating to termination of tenancies and recovery of rental premises for nonpayment of rent and certain illegal activities. The bill adds illegal activity involving alcoholic beverages, a controlled substance, or an imitation controlled substance to the list of activities that constitute a nuisance that may be enjoined and abated in a place used for the activity. All of the changes will have the effect of substantially changing the information the Department of Law provides to the public in its pamphlet on landlord and tenant rights. The department's publication of the pamphlet is mandated by AS 44.23.020(b)(8).

The department therefore requests \$10,000 to revise and republish the information pamphlet. Of this amount, \$2,500 will be used to publish a pamphlet supplement in the state Bar Association's monthly newsletter, and \$7,500 will be used to publish a revised pamphlet for use by the general public. These funds should be sufficient to publish between 7,500 and 10,000 pamphlets.

# The Accidental Landlord

These Anchorage homeowners didn't necessarily want strangers in their houses, but negative equity and a weak economy made the choice for them.



By WESLEY LOY  
Daily News business reporter

Could somebody buy Frank Singleton's extra house? Please? He's tired of renting out the blasted thing.

Listen to this story. Once, after a long war with a bad tenant, Singleton was forced to hire a locksmith to help him get into the place, a duplex in South Anchorage. He knew he had big trouble when he cracked open the door and heard growling.

Mean, nasty, rip-your-face-off grins. The tenant had abandoned a pair of pit bulls inside, and they'd been scrapping. They'd tried to kill each other, in fact, gnawing ears to bits and spattering blood all over the walls, the floors, everything.

As for the duplex, well, it was a wreck. The washing machine had been hurled down some steps into a wall. Trash was piled everywhere. The carpet was a matted mess. It took Singleton, a 37-year-old public-relations manager, almost a month of working nights and weekends to clean the place. He started the job with a leaf rake and a wheelbarrow.

"You didn't want to touch things in there," Singleton said. "It was just funky."

This all happened in 1987. Since then, other tenants have similarly misbehaved, balking on rent or slipping away after only a month or two.

Why does Singleton put up with this? He and lots of other people in Anchorage don't have much choice. They are reluctant landlords, people who own homes they would like to sell, but can't.

The sad plight of most reluctant landlords in Anchorage stems from an evil called "negative equity." That's the gap between what a home is worth today, and what the owner still owes on the mortgage.

For people who need to move because of a growing family, or a lost job, or marriage, the question then becomes: How can you sell the house if the gap's too big?

You can't, Singleton said, bitten hard by the negative equity bug. You just can't.

Please see Page F-3, RELUCTANT



Frank Singleton poses in front of his duplex rental property, where a series of unsavory tenants have lived.



NEWS ARTICLE

## So you want to be a landlord

Here's a rundown of agencies, businesses and other sources to help you do the job right.

U.S. Department of Housing and Urban Development — HUD can give you the rules on how to legally choose a tenant, as well as eviction rules. Basically, you must treat everyone the same. Screening based on race, religion, sex, disability, national origin or whether a person has children is not legal. For information or advice call (206) 220-5170 or write HUD, Seattle Federal Office Building, 909 First Ave., Suite 200 (10E), Seattle, WA 98104-1000.

Anchorage Equal Rights Commission — For further, local rules on housing discrimination, contained in Title 8 of the municipal code, call 343-4342 or write Equal Rights Commission, 620 E. 10th Ave., Anchorage 99501.

Alaska's Landlord/Tenant Act — A copy of the act, with a straightforward booklet on items from rental agreements to damage deposits to privacy, available from the state Department of Law, 1031 W. Fourth Ave., Suite 200, Anchorage 99501.

Rental agreements — Forms good at least as a starting point are available at Arctic Office Products, 100 W. Pinewood Lane, or from Adams Stationers, 4200 Old Seward Highway.

Internal Revenue Service — For rules on reporting rental income, and writing off rental property expenses. Ask for Publication 627, "Rental Property," or call the agency's toll-free Tele-Tax number, 800-829-4477, and follow the directions to hear topic 213 on rental income and expenses.

"Puddle Heights" — This movie about a "tenant from hell," and a landlord who makes lots of mistakes, is available from most any video store. Watch it at your own peril.

# RELUCTANT LANDLORDS: Negative equity is major culprit

Continued from Page F-1

## THE BIG CRASH

Not too many years ago, negative equity ran rampant in Anchorage. It's still fairly widespread today, casting dozens if not hundreds of people into the unwanted role of landlord, real estate professionals say.

Here's what happened. In the early 1980s, when Singleton bought his duplex, Alaska's economy was booming. The state was flush with oil money, and builders were busy as could be. Houses, condominiums and other residential properties were much in demand, and property values were shooting up, up, up. People thought nothing of dropping big bucks for a nice place to live; they were sure it would be worth even more in a few years if they decided to sell and move to a roomier place, or leave town for a new job.

"Nothing could go wrong," said James Kuntz, general manager at Marston Property Management Inc.

Well, something did go wrong. Terribly wrong. In 1986, world oil prices crashed. The construction boom had, by then, left the town in a flood of housing space. Banks folded. Property values crumbled. Almost overnight, a \$100,000 house wasn't worth anywhere near that. The same thing happened to commercial property.

One study at the time found that the average house fell 25 percent in value, the average condo 50 percent.

Lots of people just walked away, defaulting on their mortgage loans. The rest opted to salvage their credit ratings and cope with high mortgage payments, often stranded in houses too small for their growing families, Kuntz said.

But some, especially those forced to move because of kids, or because they lost a job in Alaska, turned landlord to make payments on their old places.

It was a growing family that drove Singleton into bigger digs in Eagle River in 1987. But he couldn't get anywhere near the \$90,000 he paid for the duplex. So, he rents it out.

The good news is that the negative equity problem is dissipating. It's not nearly as bad as it was three or four years ago, Kuntz said. Many houses have fully recovered, meaning their market value today is equal to the balance of the mortgage, he said.

"Some reluctant landlords have been able to sell and get out from underneath," he said.

But for some the problem persists, especially those owning condos or duplexes or row houses. And just closing the gap between a property's worth and what's still owed on it isn't enough, noted real estate lawyer and radio talk show host Bill McNall.

"You have to cover the cost of sale," he said. That includes paying a real estate agent to handle the sale, title insurance, recording fees, and a few other items. Typically, it costs 10 percent of the sale price just to sell a place, McNall said.

## NO LEISURE

Dr. Aron Wolf is a psychiatrist at the Langdon Psychiatric Clinic. It's probably a handy trade, self-help for the aggravation he sometimes feels as a reluctant landlord.

Wolf rents out two places — a ski cabin at Alyeska, and a small house downtown. He's tried to sell these places. And he probably could "if I was willing to take a real shellacking. And I'm not."

Some tenants have been kind to Wolf, like the ones he has now. Some have not, like the guy who stuck him with a \$1,700 electricity bill on the cabin. Or the one who stayed less than two months in the house then disappeared, leaving the place in a shambles. The walls were nicked and dirty, dog feces all over.

"It was just like, whoa, how could anybody live like this?" Wolf recalled thinking at the time. He had to repaint and clean all the rugs before he could rent it out again.

The worst thing about being a landlord, though, Wolf said, has to be the nagging calls you get — the roof is leaking, the boiler's busted, the power's out. "Those are

the things that are just real annoying," he said.

Not everyone reports a bad experience. Take Tom Walker, a retired Air Force colonel. He started out as a reluctant landlord and later discovered he actually liked it.

Walker found himself in a fix back in 1988. A costly divorce left him unable to make the payments on his four-bedroom house in east Anchorage. And he couldn't sell because of a serious negative equity problem — the gap was about \$40,000.

So he rented the place, and then found an apartment for himself. Things went so well that he decided to invest in two bargain apartment houses and rent those, too. "Don't fight 'em, join 'em," he figured.

Not for everyone

Ever seen the movie "Pacific Heights"? If you haven't, and you're a landlord, beware: This film could give you nightmares.

Wise-cracking actor Michael Keaton takes on a decidedly nasty attitude here, playing a psychotic fraud who rents an apartment in a nice San Francisco couple's spacious house. The couple, living upstairs, spent \$750,000 for the house, and they need renters to help them make the mortgage payments.

Keaton seems like a good tenant — dressed smartly in suits and driving a Porsche. The nice couple doesn't bother to check him out, though. And pretty soon, he's not paying rent. He hammers and saws all night. Roaches scurry out of his apartment in droves. Finally, landlord punches out tenant, tenant shouts landlord and, well, you get the picture.

"I WANT HIM OUT OF HERE!" screams the landlord, frustrated by strong tenant-protection laws.

An extreme case, for sure. A Hollywood melodrama. But there's some good lessons in there. Landlords can save themselves a lot of grief by thoroughly checking out prospective tenants. And understanding laws on how to properly handle problem tenants. And accepting one maxim of the rental market: "People don't take care of things that don't belong to them. They just

don't," said Peggy Benkert, an instructor with the Commonwealth School of Real Estate in Anchorage.

Being a landlord, in fact, just isn't for everybody. Lots of people stuck in the rental game in Anchorage seek out a professional to do the often time-consuming job. For maybe a 10 percent cut of the rent, several companies in town will screen tenants. And keep the books. And troubleshoot plugged drains. And track the myriad of ever-changing landlord-tenant laws. And when necessary, be the bad guy.

"I've got at least half a dozen clients who fit the bill," said David Seal, president and broker at RCI Management Inc.

Among them is a man who isn't a reluctant landlord in the usual sense; he willingly owns a string of apartment buildings. He even does most of the maintenance on his buildings, too. And that's all the tenants think he is — a maintenance man, said Seal. He doesn't want the pressure of being landlord.

"His primary problem is he's got a house as big as all outdoors," Seal said. "He doesn't have the heart to kick anybody out. All of his tenants were taking gross advantage of him, not paying rent, when I started managing his properties."

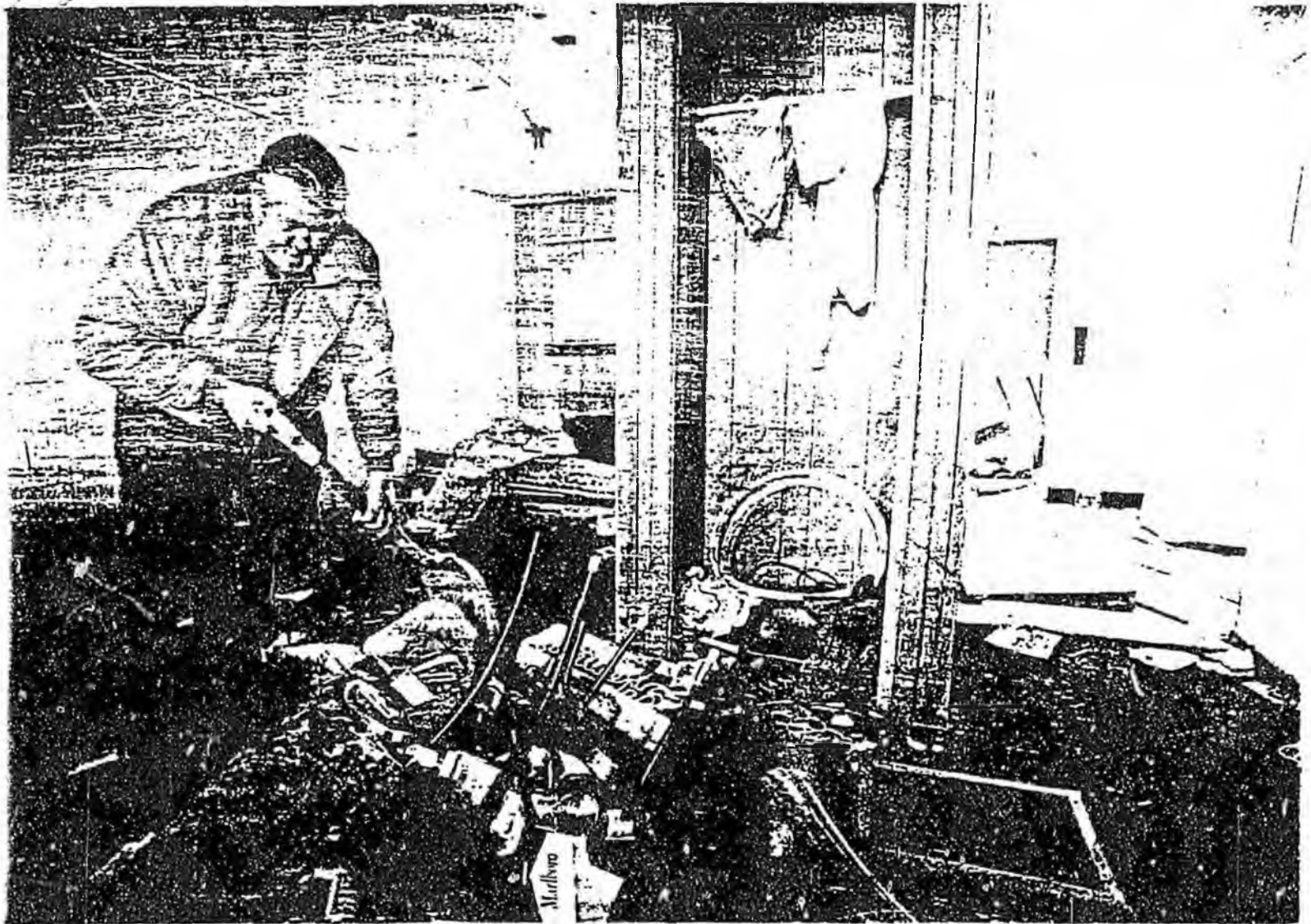
Frank Singleton, the PR man, doesn't want a management company. He just wants rid of his duplex, a first home he thought would turn him a nice profit but instead became a "millstone."

One time Singleton went on vacation. He had just reseeded the yard behind his duplex. His tenant had another idea. They dug up the yard and put in a garden.

"They promised to restore it," said Singleton, a Georgia native. "When they left, I was stuck with a big old wad of potato vines."

Within the next year, he figures, the duplex will be worth the balance of the mortgage, now about \$60,000. He figures he'll sell, if he can manage the sale costs.

"No, I don't want to be a landlord," he said.



Dan Hyde News-Mine

**TRASHED OUT**—Landlord Sam Helms scoops up garbage in a house he rents out in South Fairbanks. Helms says a

former tenant caused \$10,000 damage to the home, but the renter denies any wrongdoing.

## Landlord blames law for home's disorder

by KATE RIPLEY  
Staff Writer

For 17 days Sam Helms watched as his tiny rental home, 1336 Stacia St., was trashed. Helms claims unfair state landlord-tenant laws rendered him helpless in the case against a 30-year-old renter, George Cooper Jr.

Cooper moved into the rental home, one house down the street from Helms' own house, Oct. 15, Helms said. The landlord protected the \$375 monthly rent and argued a \$200 damage deposit. Problems with Cooper and an absence of friends visiting the home started almost immediately, Helms alleged. The

result is \$10,000 in damaged property, he said.

"There were continuous parties . . . There was shooting, urinating in public, fighting. It was keeping the neighbors awake," said Helms, 57, the husband of former Borough Mayor Juanita Helms.

Police officers responded when Helms called, but told him it was a civil matter, Helms said. Five days after Cooper moved in, Helms gave the renter the required 20-days notice under state law for eviction.

Then it was a matter of waiting.

"As soon as I gave him (Cooper) the eviction notice, he had 20

days to destroy my place," Helms said.

Cooper, a convicted felon, eventually was arrested Nov. 6 for violating his probation and was removed from the house, according to probation officer Lou Anne Maxwell. The man is being held without bail at Fairbanks Correctional Center.

The felony conviction stemmed from a July 1990 second-degree forgery. Cooper also was convicted of fraudulent use of a credit card, a misdemeanor.

Maxwell said an anonymous caller told her Cooper and other under-aged youths were drinking at the Stacia Street home. He also allegedly was keeping com-

pany with another convicted felon—not allowed under terms of his probation, Maxwell said. Cooper gained media attention two years ago after a tragic vehicle accident in the village of Ruby claimed both of his legs.

While the probation violation arrest removed Cooper from Helms' rental home, the landlord said Fairbanks police should have arrested him before it got to that point.

"The police call it a civil matter, when it's malicious destruction," Helms said.

But John Shover, Fairbanks public safety director, said claiming a renter destroyer

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# LANDLORD

Continued from Page A-1  
property is one thing, while proving it is another.

"If it's a landlord-tenant situation, those situations generally are totally civil" rather than criminally prosecuted, Shover said.

Under state law, if a tenant destroys a landlord's property on purpose, the tenant may be guilty of vandalism and face up to one year in prison and a \$5,000 fine. The law also could require a tenant to pay for the damage.

Shover confirmed Fairbanks police responded to Helms' complaints at least four or five times. They interviewed Cooper, who denied any wrongdoing and placed the blame on friends, Shover said.

Without a confession or witnesses, Shover said the District Attorney's Office "won't touch it" and an arrest would have been pointless.

District Attorney Harry Davis said he is not intimately aware in the case. But he said the probation violation arrest was likely a speedier approach than arresting Cooper under the landlord-tenant act.

Cooper, meanwhile, maintains his innocence. In a hearing in Fairbanks Superior Court Thursday, the young man denied violating his probation. The case has not yet been scheduled for trial.

Regardless of who actually damaged Helms' rental, one look around the home tells a sad tale of destruction.

The white porcelain bathroom sink is smashed. Doors outside and inside the home are riddled with dents, perhaps made with a hammer. Ceiling tiles are either missing or punctured with holes. Empty liquor bottles, beer cans, food containers, old magazines and other debris are scattered across the floor.

The walls are filthy. Two bureaus are overturned, their drawers

smashed. A TV screen is shattered, and a dinette set dismantled.

Insurance will cover most of the estimated \$10,000 in structural damage, Helms said. But it will not replace the furniture.

Cooper has had a handful of run-ins with the law before, but several cases against him have been dismissed in the past.

He was asked to leave Southall Manor within days after he moved there May 31, 1991, according to an Alaska State Housing Authority memo.

His apartment "became a nest for street kids," the memo said.

"Teen-agers were on the roof of Southall Manor, throwing rocks into the street. In short, they had the building under seige," the memo said.

City Mayor Jim Hayes, a consumer investigator for the state attorney general's office, said his office receives about five calls daily on landlord-tenant disputes alone. Budget cuts leave his office ill-equipped to deal with the matter.

"This is a really serious problem in the Fairbanks area," Hayes said.

Hayes is a friend of Helms. He inspected the Stacia rental home as a personal favor. Helms requested help from the City Council but Hayes said there is little the city can do.

"The landlord-tenant act is a state act. The only thing we (the city) can do is just refer people to small claims court or a private attorney," he said.

Helms is bent on changing state law. He said he will organize landlords into an association for that purpose as his "winter project."

"I don't have any problem with the tenant having rights but the landlord should have equal rights," he said.

## LANDLORDS!

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NEXT MEETING  
OCTOBER 8, 1992  
7:00 PM

FOR INFORMATION CONTACT  
ALICE BREWER  
(Exec. Secretary)  
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Douglas W. Isaacson  
Alaska Director

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