

HB

282

<TARGET><BILL>HB 282</BILL><SUBJECT>HB
282</SUBJECT><COMM>HJUD28</COMM></TARGET>

CS FOR HOUSE BILL NO. 282(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVE ISAACSON

A BILL

FOR AN ACT ENTITLED

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

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

5 * Section 1. AS 34.03.020(e) is amended to read:

6 (e) If required by the landlord, the landlord and the tenant shall include within
7 the rental agreement, incorporate by reference in the rental agreement, or add as a
8 separate attachment to the rental agreement a premises condition statement, setting out
9 the condition of the premises, including fixtures but excluding reference to any of the
10 other contents of the premises, and, if applicable, a contents inventory itemizing or
11 describing all of the furnishings and other contents of the premises and specifying the
12 condition of each of them. In the premises condition statement and contents inventory,
13 the landlord and tenant [PARTIES] shall describe the premises and its contents at
14 the commencement of the term of the period of the occupancy covered by the rental

1 agreement. When signed by the landlord and tenant [PARTIES], the premises
2 condition statement and contents inventory completed under this subsection become
3 part of the rental agreement.

4 * **Sec. 2.** AS 34.03.070(a) is amended to read:

5 (a) Except as provided in (h) of this section, a [A] landlord may not demand
6 or receive prepaid rent or a security deposit, however denominated, in an amount or
7 value in excess of two months' periodic rent. This section does not apply to rental units
8 where the rent exceeds \$2,000 a month.

9 * **Sec. 3.** AS 34.03.070(b) is amended to read:

10 (b) Upon termination of the tenancy, property or money held by the landlord
11 as prepaid rent or as a security deposit may be applied to the payment of accrued rent
12 and the amount of damages that the landlord has suffered by reason of the tenant's
13 noncompliance with AS 34.03.120. The accrued rent and damages must be itemized
14 by the landlord in a written notice mailed to the tenant's last known address within the
15 time limit prescribed by (g) of this section, together with the amount due the tenant. In
16 this subsection, "damages"

17 (1) means deterioration of the premises and, if applicable, of the
18 contents of the premises;

19 (2) does not include deterioration

20 (A) that is the result of normal wear and tear [THE
21 TENANT'S USE OF THE PREMISES BY NORMAL, NONABUSIVE
22 LIVING];

23 (B) caused by the landlord's failure to prepare for expected
24 conditions or by the landlord's failure to comply with an obligation of the
25 landlord imposed by this chapter.

26 * **Sec. 4.** AS 34.03.070(c) is amended to read:

27 (c) All money paid to the landlord by the tenant as prepaid rent or as a security
28 deposit in a lease or rental agreement shall be promptly deposited by the landlord,
29 wherever practicable, in a trust account in a bank, savings and loan association, or
30 licensed escrow agent, and the landlord shall provide to the tenant the terms and
31 conditions under which the prepaid rent or security deposit or portions of them may be

1 withheld by the landlord, Nothing [; NOTHING] in this chapter prohibits the landlord
2 from commingling prepaid rents and security deposits in a single financial account;
3 however, the landlord shall separately account for prepaid rent and security
4 deposits received from each tenant. The landlord may not commingle prepaid
5 rent and security deposits with other funds. The landlord may not use money
6 held for one tenant in a trust account to

7 (1) refund the security deposit of another tenant;

8 (2) apply to the payment of another tenant's accrued rent;

9 (3) apply to damages suffered by the landlord because of another
10 tenant's noncompliance with AS 34.03.120.

11 * Sec. 5. AS 34.03.070(g) is amended to read:

12 (g) If the landlord or tenant gives notice that complies with AS 34.03.290, the
13 landlord shall mail the written notice and refund required by (b) of this section within
14 14 days after the tenancy is terminated and possession is delivered by the tenant,
15 except the landlord shall have 30 days after the tenancy is terminated to mail the
16 refund if costs are deducted for damages that the landlord has suffered because
17 of the tenant's noncompliance with AS 34.03.120. If the tenant does not give notice
18 that complies with AS 34.03.290, the landlord shall mail the written notice and refund
19 required by (b) of this section within 30 days after the tenancy is terminated,
20 possession is delivered by the tenant, or the landlord becomes aware that the dwelling
21 unit is abandoned. If the landlord does not know the mailing address of the tenant, but
22 knows or has reason to know how to contact the tenant to give the notice required by
23 (b) of this section, the landlord shall make a reasonable effort to deliver the notice and
24 refund to the tenant.

25 * Sec. 6. AS 34.03.070 is amended by adding new subsections to read:

26 (h) Notwithstanding the limitation on the amount of prepaid rent or security
27 deposit in (a) of this section, a landlord may demand or receive an additional security
28 deposit from a tenant who has a pet on the premises that is not a service animal. The
29 additional security deposit

30 (1) may not exceed the periodic rent for one month; and

31 (2) shall be accounted for separately from prepaid rent or a security

1 deposit received under (a) of this section and may be applied only to the amount of
2 damages that are directly related to the pet of the tenant.

3 (i) In this section,

4 (1) "normal wear and tear" means deterioration that occurs from the
5 intended use of the rental unit and without negligence, carelessness, accident, misuse,
6 or abuse of the premises or contents by the tenant, members of the household of the
7 tenant, or the invitees or guests of the tenant;

8 (2) "service animal" means an animal that is individually trained to do
9 work or perform tasks that are directly related to and for the benefit of an individual
10 with a disability, including a physical, sensory, psychiatric, intellectual, or other
11 mental disability.

12 * Sec. 7. AS 34.03.090(b) is amended to read:

13 (b) **The tenant shall** [AS A CONDITION OF DELIVERY OF POSSESSION
14 OF THE PREMISES TO THE TENANT, THE LANDLORD MAY REQUIRE THE
15 TENANT TO] acknowledge or verify by the tenant's signature the accuracy of the
16 premises condition statement and contents inventory prepared under AS 34.03.020(e).
17 **The** [BEFORE REQUIRING THE TENANT'S SIGNATURE, THE LANDLORD
18 SHALL FIRST ADVISE THE TENANT THAT THE] premises condition statement
19 and contents inventory

20 (1) may be used by the landlord **or tenant** as the basis

21 (A) to determine whether prepaid rent or a security deposit
22 shall be applied to the payment of damages to the premises when authorized by
23 AS 34.03.070(b); and

24 (B) to compute the recovery of other damages to which the
25 parties may be entitled under this chapter; and

26 (2) is, in an action initiated by a party to recover damages or to obtain
27 other relief to which a party may be entitled under this chapter, presumptive evidence
28 of the condition of the premises and its contents at the commencement of the term of
29 the period of occupancy covered by the rental agreement.

30 * Sec. 8. AS 34.03.100(a) is amended to read:

31 (a) The landlord shall

1 (1) make all repairs and do whatever is necessary to put and keep the
2 premises in a fit and habitable condition;

3 (2) keep all common areas of the premises in a clean and safe
4 condition;

5 (3) maintain in good and safe working order and condition all
6 electrical, plumbing, sanitary, heating, ventilating, air-conditioning, kitchen, and other
7 facilities and appliances, including elevators, supplied or required to be supplied by
8 the landlord;

9 (4) provide and maintain appropriate receptacles and conveniences for
10 the removal of ashes, garbage, rubbish, and other waste incidental to the occupancy of
11 the dwelling unit and arrange for their removal;

12 (5) supply running water and reasonable amounts of hot water and heat
13 at all times, insofar as energy conditions permit, except where

14 (A) the building that includes the dwelling unit is so
15 constructed that heat or hot water is generated by an installation within the
16 exclusive control of the tenant and supplied by a direct public utility
17 connection; or

18 (B) the premises does not have a well or water provided by
19 a direct public utility connection and the rental agreement specifically
20 states that the duty of the landlord to supply running water or hot water
21 to the premises is waived by the tenant;

22 (6) if requested by the tenant, provide and maintain locks and furnish
23 keys reasonably adequate to ensure safety to the tenant's person and property; and

24 (7) provide smoke detection devices and carbon monoxide detection
25 devices as required under AS 18.70.095.

26 * Sec. 9. AS 34.03.120(a) is amended to read:

27 (a) The tenant

28 (1) shall keep that part of the premises occupied and used by the tenant
29 as clean and safe as the condition of the premises permit;

30 (2) shall dispose all ashes, rubbish, garbage, and other waste from the
31 dwelling unit in a clean and safe manner;

1 (3) shall keep all plumbing fixtures in the dwelling unit or used by the
2 tenant as clean as their condition permits;

3 (4) shall use in a reasonable manner all electrical, plumbing, sanitary,
4 heating, ventilating, air-conditioning, kitchen, and other facilities and appliances,
5 including elevators, in the premises;

6 (5) may not deliberately or negligently destroy, deface, damage,
7 impair, or remove a part of the premises or knowingly permit any person to do so;

8 (6) may not unreasonably disturb, or permit others on the premises
9 with the tenant's consent to unreasonably disturb, a neighbor's peaceful enjoyment of
10 the premises;

11 (7) shall maintain smoke detection devices and carbon monoxide
12 detection devices as required under AS 18.70.095;

13 (8) may not, except in an emergency when the landlord cannot be
14 contacted after reasonable effort to do so, change the locks on doors of the premises
15 without first securing the written agreement of the landlord and, immediately after
16 changing the locks, providing the landlord a set of keys to all doors for which locks
17 have been changed; in an emergency, the tenant may change the locks and shall,
18 within five days, provide the landlord a set of keys to all doors for which locks have
19 been changed and written notice of the change; [AND]

20 (9) may not unreasonably engage in conduct, or permit others on the
21 premises to engage in conduct, that results in the imposition of a fee under a municipal
22 ordinance adopted under AS 29.35.125; and

23 (10) may not allow the number of individuals occupying the
24 premises to exceed the number allowed by applicable law, by a covenant limiting
25 the landlord's use of the premises, or the rental agreement.

26 * **Sec. 10.** AS 34.03.120 is amended by adding a new subsection to read:

27 (c) When terminating the tenancy, the tenant shall leave the premises in
28 substantially the same condition, except for normal wear and tear, as the condition of
29 the premises at the beginning of the tenancy, including, in the landlord's discretion,
30 professionally cleaning the carpets if the carpets were professionally cleaned
31 immediately before the tenancy began. In this subsection, "normal wear and tear" has

1 the meaning given in AS 34.03.070.

2 * **Sec. 11.** AS 34.03.220(a) is amended to read:

3 (a) Except as provided in this chapter,

4 (1) if the tenant or someone in the tenant's control deliberately inflicts
5 substantial damage to the premises in breach of AS 34.03.120(a)(5) **or the tenant**
6 **engages in or permits another to engage in prostitution or another illegal activity**
7 **at the premises in breach of AS 34.03.120(b).** the landlord may deliver a written
8 notice to quit to the tenant under AS 09.45.100 - 09.45.105 specifying the act **or**
9 **activity** constituting the breach and specifying that the rental agreement will terminate
10 **on** [UPON] a date that is not less than 24 hours **or more than five days** after service
11 of the notice; for purposes of this paragraph, damage to premises is "substantial" if the
12 loss, destruction, or defacement of property attributable to the deliberate infliction of
13 damage to the premises exceeds \$400;

14 (2) if there is a material noncompliance by the tenant with the rental
15 agreement, or if there is noncompliance with AS 34.03.120, other than deliberate
16 infliction of substantial damage to the premises or other than noncompliance as to a
17 utility service for which the provisions of (e) of this section apply, materially affecting
18 health and safety, the landlord may deliver a written notice to quit to the tenant under
19 AS 09.45.100 - 09.45.110 specifying the acts and omissions constituting the breach
20 and specifying that the rental agreement will terminate **on** [UPON] a date not less than
21 10 days after service of the notice; if the breach is not remedied, the rental agreement
22 terminates as provided in the notice subject to the provisions of this section; if the
23 breach is remediable by repairs or the payment of damages or otherwise and the tenant
24 adequately remedies the breach before the date specified in the notice, the rental
25 agreement will not terminate; in the absence of due care by the tenant, if substantially
26 the same act or omission that constituted a prior noncompliance of which notice was
27 given recurs within six months, the landlord may terminate the rental agreement upon
28 at least five **days'** [DAYS] written notice to quit specifying the breach and the date of
29 termination of the rental agreement.

30 * **Sec. 12.** AS 43.23.065(b) is amended to read:

31 (b) An exemption is not available under this section for permanent fund

1 dividends taken to satisfy

2 (1) child support obligations required by court order or decision of the
3 child support services agency under AS 25.27.140 - 25.27.220;

4 (2) court ordered restitution under AS 12.55.045 - 12.55.051,
5 12.55.100, or AS 47.12.120(b)(4);

6 (3) claims on defaulted education loans under AS 43.23.067;

7 (4) court ordered fines;

8 (5) writs of execution under AS 09.35 of a judgment that is entered

9 (A) against a minor in a civil action to recover damages and
10 court costs;

11 (B) under AS 09.65.255 against the parent, parents, or legal
12 guardian of an unemancipated minor;

13 (6) a debt owed by an eligible individual to an agency of the state,
14 including the University of Alaska, unless the debt is contested and an appeal is
15 pending, or the time limit for filing an appeal has not expired;

16 (7) a debt owed to a person for a program for the rehabilitation of
17 perpetrators of domestic violence required under AS 12.55.101, AS 18.66.100(c)(15),
18 AS 25.20.061(3), or AS 33.16.150(f)(2);

19 **(8) a judgment for unpaid rent or damage owed to a landlord by**
20 **an eligible individual that was a tenant of the landlord; in this paragraph,**
21 **"tenant" has the meaning given in AS 34.03.360.**

22 * Sec. 13. The uncodified law of the State of Alaska is amended by adding a new section to
23 read:

24 APPLICABILITY. Sections 1 - 11 of this Act apply to a residential rental agreement
25 for a period beginning on or after the effective date of this Act.

Amendment Analysis CSHB 282 (L&C) ²⁹ LS 20930\P

Amendment 1 - remove

Amendment 1 adds a new subsection to require landlords who are on the central registry as a sex offender or child kidnapper to reveal that status to a potential tenant.

Amendment 2 – deleted.

Amendment 3 - offer

In the absence of local law restricting the number of people in a dwelling, this allows for the landlord to set the number of occupants within their rental agreement as well.

Amendment 4 - remove

If you remove Section 14, this Amendment is unnecessary.

Amendment 5 - remove

Removes transient occupancy definition and we are asking for subsection 9 to be removed too.

Amendment 6- offer

Removes Section 14 that allowed for victims of domestic abuse an early out. The Uniform Residential Landlord Tenant Act is currently under revision. It is dealing with this subject in much more depth. Parties are willing to wait until it is finalized and bring it back as its own bill later on.

Amendment 7 – offer

Replaces Amendment 5 and adds removal of subsection 9 as it is not needed.

Conceptual amendment 8 - offer

Retaining the word “uniform” in Section 1, page 1 line 6 – page 4 line 28 and page 13, line 3

AMENDMENT

#1 adopted

OFFERED IN THE HOUSE
TO: CSHB 282(L&C)

- 1 Page 10, line 1:
- 2 Delete "or"
- 3 Insert ", by a"
- 4
- 5 Page 10, line 2, following "premises":
- 6 Insert ", or the rental agreement"

AMENDMENT #2 adopted

OFFERED IN THE HOUSE

TO: CSHB 282(L&C)

- 1 Page 10, line 10, through page 11, line 5:
- 2 Delete all material.
- 3
- 4 Renumber the following bill sections accordingly.
- 5
- 6 Page 13, line 30:
- 7 Delete "Sections 4 - 16"
- 8 Insert "Sections 4 - 15"

AMENDMENT #3

withdrawn

OFFERED IN THE HOUSE

TO: CSHB 282(L&C)

1 Page 12, lines 15 - 16:

2 Delete "in this paragraph, "transient occupancy" means the presence or stay of
3 an individual for less than 30 consecutive days;"

4

5 Page 12, line 28, through page 13, line 1:

6 Delete ";

7

8 (9) occupancy by an individual who is a victim of trauma from a
9 sexual assault or domestic violence and who is receiving housing assistance from
10 a victim counseling center; in this paragraph, "victim counseling center" has the
meaning given in AS 18.66.250"

4/7/14

AMENDMENT

#5
not of record

OFFERED IN THE HOUSE

TO: CSHB 282(L&C)

Page 1, line 6 through Page 4, line 28

Retain the word "Uniform"

Page 13, line 3

Retain the word "Uniform"

Alaska State Legislature House of Representatives

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Sponsor Statement **HB 282 – Residential Landlord Tenant Act**

Alaska adopted the Uniform Residential Landlord Tenant Act (RLTA) in 1973. The mid-70s was the height of the pipeline construction era and it brought out the worse abuses by landlords as would-be tenants scrambled to find scarce housing.

Its last update was in the mid 90's and new circumstances, technologies and laws require Alaska to review and tweak the rules. HB 282 incorporates changes to protect the tenant without being burdensome to landlords. In conjunction with the federal Violence Against Women Act, House Bill 282 gives new protections to victims of domestic violence. It integrates property management best practices and protects against abuses by either landlord or tenant.

Highlights of the bill include:

Pet deposit

HB 282 allows landlords to include a separate pet deposit, thus permitting more dwellings to have pets. Currently pet damage can easily exceed security deposits so landlords exclude them as a general rule because the potential damage cannot be covered under the current caps.

Define Normal Wear and Tear

A problem identified by property managers and tenants was the lack of a suitable definition of normal wear and tear.

Require Landlords to Maintain Separate Accounting of Security Funds

There have been cases of using Peter's money to pay Paul's damages and that's not fair to Peter. The security and damage deposits paid to the landlord are in trust for that particular renter and shouldn't be used to cover the cost of repair to a different dwelling. This does not require a separate account for each one but separate accounting of each deposit.

Confirm Premise Condition

Similar to renting a car from a car rental firm, the tenant will acknowledge and the landlord will verify the condition of the property upon possession. Either party may use this as the basis to determine if payment for damages is necessary.

Permit Rental of Dry Cabins

Uniform law doesn't currently permit renting facilities that do not have running water. Renting dry cabins in Alaska is common and sometimes highly sought after. As long as both parties desire and recognize the condition, it is permitted.

Allow Landlords to Restrict the Number of Persons in a Dwelling

HUD housing has occupancy restrictions but if a building isn't financed by HUD there aren't any guidelines in law. Landlords may limit the number of persons in a dwelling based on applicable law or covenants.

Permits a Victim of Domestic Abuse Early Termination

If a tenant is the victim of domestic violence, stalking or sexual assault and wants to terminate their lease, they can within 10 days given certain provisions.

Eviction of Tenants for Illegal Activities

Current law has not allowed landlords to expedite eviction of tenants for illegal activities such as drug manufacturing, dealing or prostitution.

Provides Greater Clarity on the Definition of "Transient Occupancy"

Transient housing is defined as presence or stay of an individual for less than 30 consecutive days.

Permits Landlords to Attach PFD for Unpaid Rent or Damages

Landlord will now be able to attach a tenant's Permanent Fund Dividend distribution if they have a judgment for unpaid rent or damages.

Alaska State Legislature House of Representatives

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Sectional Analysis CSHB 282 (L&C)

Section 1, 2, 3 & 17

Simply removes the reference to the word “Uniform” in the Residential Landlord Tenant Act. (RLTA)

The Uniform Law Commission was established in 1892 to provide states with non-partisan legislation that brings clarity and stability to critical areas of state statutory law. In Alaska we have often used uniform laws in our commerce law (UCC codes), but it has also been used to establish the Landlord Tenant contract law. The Uniform Law Commission (www.uniformlaws.org) first enacted the Uniform Residential Landlord Tenant Act in 1972. Alaska adopted it (1973). The RLTA is currently enacted in 21 states.

While the RLTA is currently under review by the commission¹, and may incorporate many of the changes this bill suggests, the changes proposed are not currently part of the uniform law, thus our legislative team felt we need to remove the word “uniform” in the title and references throughout the bill.

Section 4

“Landlord and tenant” replaces [Parties] for clearer understanding.

Section 5 & 9

Reaffirms the maximum prepaid rent except in the case of a pet. It allows landlords to request and maintain an additional amount for potential damage caused by a pet. Persons with pets would/could pay an additional amount over and above the cap of two months’ rent but not more than three months. (*See Section 9*)

Section 6

Includes a definition for normal wear and tear and is further defined in Section 9

¹ <http://www.uniformlaws.org/Committee.aspx?title=Residential Landlord and Tenant Act>

Page

Section 7

Changes a semicolon to a period.

Specifically requires the landlord to separately account for each tenant's prepaid rent and security deposits and restricts their use for the intended tenant's unit. Separately accounting for is a bookkeeping methodology and doesn't require the creation of a separate bank account for each unit.

Section 8

Allows the landlord to have up to 30 days to return a security deposit if damage has occurred. This allows the landlord to acquire bids or work estimates prior to assessing the cost of the repair and refund.

Section 9

Allows for an additional deposit over and above the current security deposit maximums to allow for pets, defines normal wear and tear and brings forward the American Disabilities Act definition of "service animals" as opposed to pets or "comfort animals."

Section 10

Requires tenant and landlord sign a premises condition statement. This gives both the tenant and the landlord a mutually agreed upon basis to determine damages or "normal wear and tear" at the end of the agreement.

Section 11

Permits rental of dry cabins if both parties agree.

Section 12

This allows a landlord to restrict the number of habitants in a dwelling to levels allowed by law or covenants.

Section 13

Asks the tenant to leave the premises in substantially the same condition, including in the landlord's discretion, professionally cleaning carpets if the carpets were professionally cleaned before tenancy began.

Section 14

Adds a new section allowing for early termination as a result of domestic violence, sexual assault or stalking. If someone is a victim of domestic violence, especially from an occupant in the same premises, they will be allowed to terminate within 10 days if certain conditions are met.

- Notice must be delivered to the landlord within 30 days after the incident
- Provide a copy of the complaint provided by a law enforcement agency or court related to the incident
- Noting the approximate date of the most recent incident
- Date the individual will terminate the rental agreement
- State if the perpetrator was a tenant
- Whether a tenant other than the individual providing notice intends to continue to occupy the premises
- Provide a plan for tenant to remove or retrieve personal property from the premises
- Contact information for the purpose of refunds

Section 15

Permits the landlord to evict a tenant that is engaged in prostitution or other illegal activities between 1-5 days.

Grammatical change (“on” replaces “upon”)

Grammatical change (“days” instead of “days”)

Section 16

Gives a stronger definition of “transient occupancy.” It is meant to refer to people staying less than a month in a dwelling. If they stay at an extended stay hotel more than 30 consecutive days then they would be afforded the privileges and protections of this law.

Permits an exception for temporary occupancy by victims of sexual assault, stalking or domestic violence and who are receiving housing assistance from a victim counseling center as defined in AS 18.66.250.

Section 18

Landlords will be able to attach a tenant’s permanent dividend check for a judgment of unpaid rent or damage.

CS FOR HOUSE BILL NO. 282(L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE ISAACSON

A BILL

FOR AN ACT ENTITLED

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

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

5 *** Section 1.** AS 09.45.090(a) is amended to read:

6 (a) For property to which the provisions of AS 34.03 ([UNIFORM]
7 Residential Landlord and Tenant Act) apply, unlawful holding by force includes each
8 of the following:

9 (1) when, for failure or refusal to pay rent due on the lease or
10 agreement under which the tenant or person holds, and after service, under AS
11 09.45.100(b), of the written notice required by AS 34.03.220(b) by the landlord for
12 recovery of possession of the premises if the rent is not paid, the tenant or person in
13 possession fails or refuses to vacate or pay the rent within seven days;

14 (2) when,

1 (A) after a violation of a condition or covenant set out in AS
2 34.03.120(a), other than a breach of AS 34.03.120(a)(5) due to the deliberate
3 infliction of substantial damage to the premises, or after a breach or violation
4 of a condition or covenant in a lease or rental agreement and following service
5 of written notice to quit, the tenant fails or refuses to remedy the breach or to
6 deliver up the possession of the premises within the number of days provided
7 for termination under AS 34.03.220(a)(2);

8 (B) after a violation of AS 34.03.120(a)(5) by deliberate
9 infliction of substantial damage to the premises, following service of written
10 notice to quit, the tenant fails or refuses to deliver up the possession of the
11 premises by the date set out in the written notice to quit under AS
12 34.03.220(a)(1);

13 (C) after a violation of AS 34.03.220(e) following
14 discontinuance of a public utility service, following service of written notice to
15 quit, the tenant fails or refuses to deliver up the possession of the premises by
16 the date set out in the written notice to quit under AS 34.03.220(e);

17 (D) the landlord requires the tenant to vacate the premises for a
18 reason set out in AS 34.03.310(c)(2) or (c)(4) - (7), following service of
19 written notice to quit, the tenant fails or refuses to deliver up the possession of
20 the premises within the longer of 30 days or the period of notice for the
21 landlord's recovery of possession of the premises set out in the rental
22 agreement;

23 (E) in a mobile home park, there is to be a change in the use of
24 land for which termination of tenancy is authorized by AS 34.03.225(a)(4),
25 following service of written notice to quit, the mobile home dweller or tenant
26 fails or refuses to vacate within the number of days provided for termination
27 under AS 34.03.225(a)(4);

28 (F) after termination of a periodic tenancy as prescribed by AS
29 34.03.290(a) or (b), following service of written notice to quit, the tenant
30 remains in possession without the landlord's consent after expiration of the
31 term of the rental agreement or after the date of its expiration;

1 (G) after the tenant has violated AS 34.03.120(b) or the tenant
 2 has used the dwelling unit or allowed the dwelling unit to be used for an illegal
 3 purpose in violation of AS 34.03.310(c)(3) other than a breach of AS
 4 34.03.120(b), following service of written notice to quit, the tenant fails or
 5 refuses to deliver up the possession of the premises within five days; or

6 (H) following service of written notice to quit, a person in
 7 possession continues in possession of the premises without a valid rental
 8 agreement, as that term is defined in AS 34.03.360, and without the consent of
 9 the landlord; or

10 (3) when, without a notice to quit, a tenant or person in possession
 11 continues in possession of the premises after the tenancy has been terminated by
 12 issuance of an order of abatement under AS 09.50.210(a).

13 * Sec. 2. AS 09.45.090(b) is amended to read:

14 (b) For property to which the provisions of AS 34.03 ([UNIFORM]
 15 Residential Landlord and Tenant Act) do not apply, unlawful holding by force
 16 includes each of the following:

17 (1) when, for failure or refusal to pay rent due on the lease or
 18 agreement under which the tenant or person in possession holds, after service, under
 19 AS 09.45.100(c), of demand made in writing by the landlord for the possession of the
 20 premises if the rent is not paid, the tenant or person in possession fails or refuses to
 21 vacate or pay the rent due within seven days;

22 (2) when, following service of a written notice to quit,

23 (A) after the tenant or person in possession has breached or
 24 violated a condition or covenant of the lease or rental agreement other than
 25 breach of a covenant or condition set out in (B) of this paragraph, the tenant or
 26 person in possession of a premises fails or refuses to deliver up the possession
 27 of the premises within 10 days;

28 (B) after the tenant or person in possession has deliberately
 29 inflicted substantial damage to the premises, the tenant or person in possession
 30 of a premises fails or refuses to deliver up the possession of the premises on
 31 the date required by the landlord; the date specified may not be less than 24

1 hours after demand for possession of the premises by the landlord;

2 (C) after the tenant or person in possession has violated AS
3 34.05.100(a) or has used the premises for or allowed the premises to be used
4 for an illegal purpose, the tenant or person in possession fails or refuses to
5 deliver up the possession of the premises within five days;

6 (D) for premises the lease or occupation of which is primarily
7 for the purpose of farming or agriculture, after the tenant or person in
8 possession has violated AS 34.05.025, other than a violation that is a breach
9 under (B) or (C) of this paragraph, the tenant fails or refuses to deliver up
10 possession of the premises within 30 days;

11 (E) a tenancy based upon an estate at will terminates, and the
12 tenant or person in possession continues in possession of the premises; or

13 (F) a person in possession continues in possession of the
14 premises

15 (i) at the expiration of the time limited in the lease or
16 agreement under which that person holds; or

17 (ii) without a written lease or agreement and without the
18 consent of the landlord; or

19 (3) when, without a notice to quit, a tenant or person in possession
20 continues in the possession of the premises after the tenancy has been terminated by
21 issuance of an order of abatement under AS 09.50.210(a).

22 * Sec. 3. AS 34.03.010(b) is amended to read:

23 (b) The underlying purposes and policies of this chapter are to

24 (1) simplify, clarify, modernize, and revise the law governing the
25 rental of dwelling units and the rights and obligations of landlord and tenant; and

26 (2) encourage landlord and tenant to maintain and improve the quality
27 of housing; [AND

28 (3) MAKE UNIFORM THE LAW AMONG THOSE STATES THAT
29 ENACT IT].

30 * Sec. 4. AS 34.03.020(e) is amended to read:

31 (e) If required by the landlord, the landlord and the tenant shall include within

1 the rental agreement, incorporate by reference in the rental agreement, or add as a
 2 separate attachment to the rental agreement a premises condition statement, setting out
 3 the condition of the premises, including fixtures but excluding reference to any of the
 4 other contents of the premises, and, if applicable, a contents inventory itemizing or
 5 describing all of the furnishings and other contents of the premises and specifying the
 6 condition of each of them. In the premises condition statement and contents inventory,
 7 the landlord and tenant [PARTIES] shall describe the premises and its contents at
 8 the commencement of the term of the period of the occupancy covered by the rental
 9 agreement. When signed by the landlord and tenant [PARTIES], the premises
 10 condition statement and contents inventory completed under this subsection become
 11 part of the rental agreement.

12 * Sec. 5. AS 34.03.070(a) is amended to read:

13 (a) Except as provided in (h) of this section, a [A] landlord may not demand
 14 or receive prepaid rent or a security deposit, however denominated, in an amount or
 15 value in excess of two months' periodic rent. This section does not apply to rental units
 16 where the rent exceeds \$2,000 a month.

17 * Sec. 6. AS 34.03.070(b) is amended to read:

18 (b) Upon termination of the tenancy, property or money held by the landlord
 19 as prepaid rent or as a security deposit may be applied to the payment of accrued rent
 20 and the amount of damages that the landlord has suffered by reason of the tenant's
 21 noncompliance with AS 34.03.120. The accrued rent and damages must be itemized
 22 by the landlord in a written notice mailed to the tenant's last known address within the
 23 time limit prescribed by (g) of this section, together with the amount due the tenant. In
 24 this subsection, "damages"

25 (1) means deterioration of the premises and, if applicable, of the
 26 contents of the premises;

27 (2) does not include deterioration

28 (A) that is the result of normal wear and tear [THE
 29 TENANT'S USE OF THE PREMISES BY NORMAL, NONABUSIVE
 30 LIVING];

31 (B) caused by the landlord's failure to prepare for expected

1 conditions or by the landlord's failure to comply with an obligation of the
2 landlord imposed by this chapter.

3 * Sec. 7. AS 34.03.070(c) is amended to read:

4 (c) All money paid to the landlord by the tenant as prepaid rent or as a security
5 deposit in a lease or rental agreement shall be promptly deposited by the landlord,
6 wherever practicable, in a trust account in a bank, savings and loan association, or
7 licensed escrow agent, and the landlord shall provide to the tenant the terms and
8 conditions under which the prepaid rent or security deposit or portions of them may be
9 withheld by the landlord. Nothing [; NOTHING] in this chapter prohibits the landlord
10 from commingling prepaid rents and security deposits in a single financial account;
11 however, the landlord shall separately account for prepaid rent and security
12 deposits received from each tenant. The landlord may not commingle prepaid
13 rent and security deposits with other funds. The landlord may not use money
14 held for one tenant in a trust account to

15 (1) refund the security deposit of another tenant;

16 (2) apply to the payment of another tenant's accrued rent;

17 (3) apply to damages suffered by the landlord because of another
18 tenant's noncompliance with AS 34.03.120.

19 * Sec. 8. AS 34.03.070(g) is amended to read:

20 (g) If the landlord or tenant gives notice that complies with AS 34.03.290, the
21 landlord shall mail the written notice and refund required by (b) of this section within
22 14 days after the tenancy is terminated and possession is delivered by the tenant,
23 except the landlord shall have 30 days after the tenancy is terminated to mail the
24 refund if costs are deducted for damages that the landlord has suffered because
25 of the tenant's noncompliance with AS 34.03.120. If the tenant does not give notice
26 that complies with AS 34.03.290, the landlord shall mail the written notice and refund
27 required by (b) of this section within 30 days after the tenancy is terminated,
28 possession is delivered by the tenant, or the landlord becomes aware that the dwelling
29 unit is abandoned. If the landlord does not know the mailing address of the tenant, but
30 knows or has reason to know how to contact the tenant to give the notice required by
31 (b) of this section, the landlord shall make a reasonable effort to deliver the notice and

1 refund to the tenant.

2 * **Sec. 9.** AS 34.03.070 is amended by adding new subsections to read:

3 (h) Notwithstanding the limitation on the amount of prepaid rent or security
4 deposit in (a) of this section, a landlord may demand or receive an additional security
5 deposit from a tenant who has a pet on the premises that is not a service animal. The
6 additional security deposit

7 (1) may not exceed the periodic rent for one month; and

8 (2) shall be accounted for separately from prepaid rent or a security
9 deposit received under (a) of this section and may be applied only to the amount of
10 damages that are directly related to the pet of the tenant.

11 (i) In this section,

12 (1) "normal wear and tear" means deterioration that occurs from the
13 intended use of the rental unit and without negligence, carelessness, accident, misuse,
14 or abuse of the premises or contents by the tenant, members of the household of the
15 tenant, or the invitees or guests of the tenant;

16 (2) "service animal" means an animal that is individually trained to do
17 work or perform tasks that are directly related to and for the benefit of an individual
18 with a disability, including a physical, sensory, psychiatric, intellectual, or other
19 mental disability.

20 * **Sec. 10.** AS 34.03.090(b) is amended to read:

21 (b) The tenant shall [AS A CONDITION OF DELIVERY OF POSSESSION
22 OF THE PREMISES TO THE TENANT, THE LANDLORD MAY REQUIRE THE
23 TENANT TO] acknowledge or verify by the tenant's signature the accuracy of the
24 premises condition statement and contents inventory prepared under AS 34.03.020(e).
25 The [BEFORE REQUIRING THE TENANT'S SIGNATURE, THE LANDLORD
26 SHALL FIRST ADVISE THE TENANT THAT THE] premises condition statement
27 and contents inventory

28 (1) may be used by the landlord or tenant as the basis

29 (A) to determine whether prepaid rent or a security deposit
30 shall be applied to the payment of damages to the premises when authorized by
31 AS 34.03.070(b); and

1 (B) to compute the recovery of other damages to which the
2 parties may be entitled under this chapter; and

3 (2) is, in an action initiated by a party to recover damages or to obtain
4 other relief to which a party may be entitled under this chapter, presumptive evidence
5 of the condition of the premises and its contents at the commencement of the term of
6 the period of occupancy covered by the rental agreement.

7 * Sec. 11. AS 34.03.100(a) is amended to read:

8 (a) The landlord shall

9 (1) make all repairs and do whatever is necessary to put and keep the
10 premises in a fit and habitable condition;

11 (2) keep all common areas of the premises in a clean and safe
12 condition;

13 (3) maintain in good and safe working order and condition all
14 electrical, plumbing, sanitary, heating, ventilating, air-conditioning, kitchen, and other
15 facilities and appliances, including elevators, supplied or required to be supplied by
16 the landlord;

17 (4) provide and maintain appropriate receptacles and conveniences for
18 the removal of ashes, garbage, rubbish, and other waste incidental to the occupancy of
19 the dwelling unit and arrange for their removal;

20 (5) supply running water and reasonable amounts of hot water and heat
21 at all times, insofar as energy conditions permit, except where

22 (A) the building that includes the dwelling unit is so
23 constructed that heat or hot water is generated by an installation within the
24 exclusive control of the tenant and supplied by a direct public utility
25 connection; or

26 (B) the premises does not have a well or water provided by
27 a direct public utility connection and the rental agreement specifically
28 states that the duty of the landlord to supply running water or hot water
29 to the premises is waived by the tenant;

30 (6) if requested by the tenant, provide and maintain locks and furnish
31 keys reasonably adequate to ensure safety to the tenant's person and property; and

1 (7) provide smoke detection devices and carbon monoxide detection
2 devices as required under AS 18.70.095.

3 * Sec. 12. AS 34.03.120(a) is amended to read:

4 (a) The tenant

5 (1) shall keep that part of the premises occupied and used by the tenant
6 as clean and safe as the condition of the premises permit;

7 (2) shall dispose all ashes, rubbish, garbage, and other waste from the
8 dwelling unit in a clean and safe manner;

9 (3) shall keep all plumbing fixtures in the dwelling unit or used by the
10 tenant as clean as their condition permits;

11 (4) shall use in a reasonable manner all electrical, plumbing, sanitary,
12 heating, ventilating, air-conditioning, kitchen, and other facilities and appliances,
13 including elevators, in the premises;

14 (5) may not deliberately or negligently destroy, deface, damage,
15 impair, or remove a part of the premises or knowingly permit any person to do so;

16 (6) may not unreasonably disturb, or permit others on the premises
17 with the tenant's consent to unreasonably disturb, a neighbor's peaceful enjoyment of
18 the premises;

19 (7) shall maintain smoke detection devices and carbon monoxide
20 detection devices as required under AS 18.70.095;

21 (8) may not, except in an emergency when the landlord cannot be
22 contacted after reasonable effort to do so, change the locks on doors of the premises
23 without first securing the written agreement of the landlord and, immediately after
24 changing the locks, providing the landlord a set of keys to all doors for which locks
25 have been changed; in an emergency, the tenant may change the locks and shall,
26 within five days, provide the landlord a set of keys to all doors for which locks have
27 been changed and written notice of the change; [AND]

28 (9) may not unreasonably engage in conduct, or permit others on the
29 premises to engage in conduct, that results in the imposition of a fee under a municipal
30 ordinance adopted under AS 29.35.125; and

31 (10) may not allow the number of individuals occupying the

1 premises to exceed the number allowed by applicable law or covenant limiting
2 the landlord's use of the premises.

3 * **Sec. 13.** AS 34.03.120 is amended by adding a new subsection to read:

4 (c) When terminating the tenancy, the tenant shall leave the premises in
5 substantially the same condition, except for normal wear and tear, as the condition of
6 the premises at the beginning of the tenancy, including, in the landlord's discretion,
7 professionally cleaning the carpets if the carpets were professionally cleaned
8 immediately before the tenancy began. In this subsection, "normal wear and tear" has
9 the meaning given in AS 34.03.070.

10 * **Sec. 14.** AS 34.03 is amended by adding a new section to article 5 to read:

11 **Sec. 34.03.215. Early termination of rental agreement as the result of**
12 **domestic violence, sexual assault, or stalking.** (a) Notwithstanding the term of
13 occupancy in a rental agreement, a tenant who has been the victim of domestic
14 violence, sexual assault, or stalking on the premises or by an occupant of the premises
15 may terminate a rental agreement within 10 days after giving notice to the landlord as
16 provided in this section.

17 (b) The notice to the landlord must be delivered to the landlord within 30 days
18 after the incident that is the basis for the early termination of the rental agreement
19 under this section.

20 (c) In support of the early termination of the rental agreement, the tenant shall
21 include the following in the notice to the landlord:

22 (1) a copy of the complaint or other documentation provided to a law
23 enforcement agency or court related to the incident of domestic violence, sexual
24 assault, or stalking that is the basis for the early termination;

25 (2) the approximate date of the most recent incident that is the basis for
26 the early termination of the rental agreement under this section;

27 (3) the date the individual will terminate the rental agreement;

28 (4) a statement as to whether the perpetrator of the domestic violence,
29 sexual assault, or stalking was a tenant under the rental agreement;

30 (5) whether a tenant other than the individual providing notice under
31 this section intends to continue to occupy the premises;

1 (6) the plan, if any, for the tenant to remove or retrieve personal
2 property from the premises or a statement that the tenant is abandoning any personal
3 property remaining on the premises; and

4 (7) contact information for the purpose of notice and the payment of
5 any amount due the tenant under AS 34.03.070.

6 * Sec. 15. AS 34.03.220(a) is amended to read:

7 (a) Except as provided in this chapter,

8 (1) if the tenant or someone in the tenant's control deliberately inflicts
9 substantial damage to the premises in breach of AS 34.03.120(a)(5) or the tenant
10 engages in or permits another to engage in prostitution or another illegal activity
11 at the premises in breach of AS 34.03.120(b), the landlord may deliver a written
12 notice to quit to the tenant under AS 09.45.100 - 09.45.105 specifying the act or
13 activity constituting the breach and specifying that the rental agreement will terminate
14 on [UPON] a date that is not less than 24 hours or more than five days after service
15 of the notice; for purposes of this paragraph, damage to premises is "substantial" if the
16 loss, destruction, or defacement of property attributable to the deliberate infliction of
17 damage to the premises exceeds \$400;

18 (2) if there is a material noncompliance by the tenant with the rental
19 agreement, or if there is noncompliance with AS 34.03.120, other than deliberate
20 infliction of substantial damage to the premises or other than noncompliance as to a
21 utility service for which the provisions of (e) of this section apply, materially affecting
22 health and safety, the landlord may deliver a written notice to quit to the tenant under
23 AS 09.45.100 - 09.45.110 specifying the acts and omissions constituting the breach
24 and specifying that the rental agreement will terminate on [UPON] a date not less than
25 10 days after service of the notice; if the breach is not remedied, the rental agreement
26 terminates as provided in the notice subject to the provisions of this section; if the
27 breach is remediable by repairs or the payment of damages or otherwise and the tenant
28 adequately remedies the breach before the date specified in the notice, the rental
29 agreement will not terminate; in the absence of due care by the tenant, if substantially
30 the same act or omission that constituted a prior noncompliance of which notice was
31 given recurs within six months, the landlord may terminate the rental agreement upon

1 at least five days' [DAYS] written notice to quit specifying the breach and the date of
2 termination of the rental agreement.

3 * Sec. 16. AS 34.03.330(b) is amended to read:

4 (b) Unless created to avoid the application of this chapter, the following
5 arrangements are not governed by this chapter:

6 (1) residence at an institution, public or private, if incidental to
7 detention or the provision of medical, geriatric, educational, counseling, religious, or
8 similar services;

9 (2) occupancy under a contract of sale of a dwelling unit or the
10 property of which it is a part if the occupant is the purchaser or a person who succeeds
11 to the interest of a purchaser;

12 (3) occupancy by a member of a fraternal or social organization in the
13 portion of a structure operated for the benefit of the organization;

14 (4) transient occupancy in a hotel, motel, lodgings, or other transient
15 facility; in this paragraph, "transient occupancy" means the presence or stay of
16 an individual for less than 30 consecutive days;

17 (5) occupancy by an employee of a landlord whose right to occupancy
18 is conditioned upon employment substantially for services, maintenance, or repair to
19 the premises;

20 (6) occupancy by an owner of a condominium unit or a holder of a
21 proprietary lease in a cooperative;

22 (7) occupancy under a rental agreement covering premises used by the
23 occupant primarily for agricultural purposes;

24 (8) occupancy under a rental agreement covering premises used as part
25 of a transitional or supportive housing program that is sponsored or operated by a
26 public corporation or by a nonprofit corporation and that provides shelter and related
27 support services intended to improve the occupant's opportunity to obtain permanent
28 housing;

29 (9) occupancy by an individual who is a victim of trauma from a
30 sexual assault or domestic violence and who is receiving housing assistance from
31 a victim counseling center; in this paragraph, "victim counseling center" has the

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meaning given in AS 18.66.250.

* Sec. 17. AS 34.03.380 is amended to read:

Sec. 34.03.380. Short title. This chapter may be cited as the ["UNIFORM] Residential Landlord and Tenant Act.["]

* Sec. 18. AS 43.23.065(b) is amended to read:

(b) An exemption is not available under this section for permanent fund dividends taken to satisfy

(1) child support obligations required by court order or decision of the child support services agency under AS 25.27.140 - 25.27.220;

(2) court ordered restitution under AS 12.55.045 - 12.55.051, 12.55.100, or AS 47.12.120(b)(4);

(3) claims on defaulted education loans under AS 43.23.067;

(4) court ordered fines;

(5) writs of execution under AS 09.35 of a judgment that is entered

(A) against a minor in a civil action to recover damages and court costs;

(B) under AS 09.65.255 against the parent, parents, or legal guardian of an unemancipated minor;

(6) a debt owed by an eligible individual to an agency of the state, including the University of Alaska, unless the debt is contested and an appeal is pending, or the time limit for filing an appeal has not expired;

(7) a debt owed to a person for a program for the rehabilitation of perpetrators of domestic violence required under AS 12.55.101, AS 18.66.100(c)(15), AS 25.20.061(3), or AS 33.16.150(f)(2);

(8) a judgment for unpaid rent or damage owed to a landlord by an eligible individual that was a tenant of the landlord; in this paragraph, "tenant" has the meaning given in AS 34.03.360.

* Sec. 19. The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. Sections 4 - 16 of this Act apply to a residential rental agreement for a period beginning on or after the effective date of this Act.

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 282(L&C)

1 Page 7, following line 19:

2 Insert a new bill section to read:

3 **** Sec. 10.** AS 34.03.080 is amended by adding a new subsection to read:

4 (e) If the landlord is registered in the central registry of sex offenders and
5 child kidnappers maintained under AS 18.65.087, the landlord or a person authorized
6 to enter into a rental agreement on behalf of the landlord shall disclose to an individual
7 that the landlord is registered in the central registry. The disclosure must be made in
8 writing after an individual accepts the offer to rent the premises but before the rental
9 agreement is signed. After receiving the notice under this subsection, the individual
10 may decline to rent the premises."
11

12 Renumber the following bill sections accordingly.

13

14 Page 13, following line 1:

15 Insert a new bill section to read:

16 **** Sec. 18.** AS 34.03.360(11) is amended to read:

17 (11) "landlord" means the owner, lessor, or sublessor of the dwelling
18 unit or the building of which it is a part, and it also means a manager of the premises
19 who fails to disclose as required by **AS 34.03.080(a) - (c)** [AS 34.03.080];"
20

21 Renumber the following bill sections accordingly.

22

23 Page 13, line 30:

- 1 Delete "Sections 4 - 16"
- 2 Insert "Sections 4 - 18"

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 282(L&C)

- 1 Page 10, line 1:
- 2 Delete "or"
- 3 Insert ", by a"
- 4
- 5 Page 10, line 2, following "premises":
- 6 Insert ", or the rental agreement"

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 282(L&C)

1 Page 11, following line 5:

2 Insert a new subsection to read:

3 "(d) A landlord may not disclose to a third party information provided by a
4 tenant under this section unless the

5 (1) tenant specifically consents to the disclosure in writing and the
6 writing states the period of time for which the consent is in effect; or

7 (2) disclosure is required by law or court order."

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 282(L&C)

- 1 Page 12, lines 15 - 16:
- 2 Delete "in this paragraph. "transient occupancy" means the presence or stay of
- 3 an individual for less than 30 consecutive days;"

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: CSHB 282(L&C)
Fiscal Note Number: 1
(H) Publish Date: 3/19/14

Identifier: HB282-DOR-AHFC-2-24-14
Title: LANDLORD AND TENANT ACT
Sponsor: ISAACSON
Requester: H L&C

Department: Department of Revenue
Appropriation: Alaska Housing Finance Corporation
Allocation: AHFC Operations
OMB Component Number: 110

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **No**
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial version.

Prepared By: Les Campbell, Budget Director
Division: Alaska Housing Finance Corporation
Approved By: Bryan Butcher, CEO
Agency: Alaska Housing Finance Corporation

Phone: (907)330-8356
Date: 02/24/2014 04:20 PM
Date: 02/24/14

FISCAL NOTE ANALYSIS #1

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 282(L&C)

Analysis

The bill does not have a fiscal impact on AHFC, therefore we submit a zero fiscal note.

We provided a full section by section analysis of HB 282 to the House Labor and Commerce Committee and trust that our written testimony has been passed to you for your consideration. Accordingly, in this letter we will only deal with the portions of the bill that we regard as in need of further modification.

Exact language of our proposed changes are attached to this letter.

Section 6.

This section makes, what could be, a significant change in the standard for the tenant's obligations to return the premises to the landlord.

Today the tenant is required to repair (or pay for the repair) of any damage beyond "use of the premises by normal, nonabusive living." The proposed substitute language would make the tenant not responsible for "normal wear and tear". The term "normal wear and tear" is elsewhere defined. See Section 9 of the bill.

AS § 34.03.090 (b) already establishes the pre-tenancy condition statement, which this bill would require be signed by both landlord and tenant, as the standard to which tenants are held.

Our concern is that adoption of section 6 provides for a possible argument that the pre-tenancy condition report is not the standard and that tenants are permitted to impair the condition of the premises by "normal wear and tear" and then, dispute what the proposed new section, AS § 34.03.070 (i) (1), see bill section 9, really means.

We believe that this provision could possibly be useful if redrafted and we have attached a proposed amendment that keeps the proposed language for tenancies where there is no rental agreement or pre-tenancy condition statement but, where there is a rental agreement and a pre-tenancy condition statement, that statement becomes the standard for the condition of the rental unit at termination.

Section 9.

This amendment deals with two issues,

- a. The definition of "normal wear and tear" and we have discussed our view in connection with the changes in Section 6.
- b. Making statutory provision for a separate pet deposit. We believe strongly that this provision needs further consideration.

Note, we do not deal with the issue of "service animal" but we would note that is one more example, perhaps largely out of the control of the State Legislature, where landlords are being asked to absorb the costs of socially responsible mandates.

Our concern is that this bill adds to the costs by placing limits on landlords with respect to non-service animals and without justification.

First, currently, landlords can refuse to allow pets, other than service animals. The reasons why this is important would take pages to discuss, but it should be clear that many apartment projects do not lend themselves to accommodating pets; the units are too small, there is inadequate yard space; the neighboring units become affected by the proximity of pets, and so on.

On the other hand, it may be, as in our case, landlords may make some effort to accommodate some pets, in some of our units under some circumstances.

One of our big concerns is the excessive damage that can be caused by pets and the only reliable protection for landlords is an addition to the security deposit, often called the pet security deposit and the amount may be sufficient to pay for replacement of the carpet or other major costs, often beyond an amount equal to one month rent.

It is our view that, if we cannot collect a sufficient security deposit to cover what we believe could be the damages involved, we will likely cut back on the degree to which we allow pets at all. People with pets must know that their tenancy imposes "abnormal" abuse of the premises and be willing to secure the cost of remediation of that abuse. We believe that proposed AS § 34.03.070 (h) (1) be eliminated or substantially increased.

Second, Security deposits are security deposits, they are funds held by the landlord to cover expected or contingent obligations the tenants may have to the landlord for unpaid rent obligations or costs of remediating damage. Security deposits are not item specific. Thus, the security deposit can be applied to any obligation the departed tenant may have to the landlord.

What the statute does provide is a limit on the amount of a security deposit that a landlord may demand as a condition of renting the property. We do not object to that.

This newly proposed section, however, which provides for collecting a pet deposit, says that the pet deposit may only be used to offset pet damages. We believe this is completely unreasonable.

If we collect both a security deposit (limited to one month rent) and a pet deposit (currently proposed to be limited to one month rent) and the damages exceed an amount equal to two month's rent, this provision would require us to allocate what was caused by the dog, what was caused by the tenant and what is yet owed by the tenant in back rent.

This proposal says that if the pet did little provable damage but the tenant owes two months back rent plus some damage related costs, we must at the same time, bill the tenant for what he owes in excess of the security deposit and give back the excess of the pet deposit.

With all due respect, this makes no sense. We propose that that subsection (2) be eliminated from the legislation.

Section 12.

The changes here deal with the number of occupants allowed in a unit.

As drafted, this proposal would limit a tenant to a number of occupants defined by a statute or defined by the CC & R's governing a piece of property.

What this proposal does not do is allow a limit on the number of occupants as defined in the rental agreement. The landlord must have the ability to prescribe the number of occupants using the rental unit even if there are no statutory limits or CC & R's or if those limits are higher than what the landlord regards as appropriate for the landlord's property.

We would suggest adding to proposed AS § 34.03.120 (a) (10) language which reads, "... , or in the rental agreement."

Section 14.

Here again, the bill would impose "socially responsible mandates" upon the landlord. In this case, it is totally unjustified.

This section would give a tenant the right to unilaterally terminate a tenancy upon ten day notice if they meet certain conditions relating to abuse, violence or stalking.

We certainly regard as tragic the increasing incidence of domestic violence and sexual and spousal abuse and laud the work being done by numerous social service agencies that deal with the consequences, physical and financial, suffered by those who are victims of these assaults.

On the other hand, it is completely without justification that the landlord should be made to pick up the financial consequences of these personal tragedies. When we enter into a lease agreement with a tenant, which in most cases involves as "tenant" multiple individuals and, most frequently, spouses, we do so expecting compliance with all the terms of the lease including the lease term.

Often, landlords may offer a rent concession for a long term (say one year) lease from what they may charge for a shorter lease. This proposal gives the tenant the right to terminate the lease and suffer no consequences for early termination.

Further, this is the only example, if adopted, of where a tenant can terminate a lease on less than thirty day notice.

Further, the draft is unclear as to what is meant in this proposal by "tenant". For example, Bill and Betty are married, but shortly into their lease term, Betty alleges spousal abuse and takes the necessary steps to move away from Bill. She serves notice on the landlord.

Does this mean ONLY Betty is moving out? Are we left with Bill?

Ordinarily, when one of two occupants of a unit elects to move out, we re-evaluate the credit of the remaining occupant before we will release the moving occupant. If Betty offered the qualifying credit that justified our renting to them and she moves out leaving Bill, are we stuck with Bill? See proposed AS § 34.03.215 (c) (5) in the bill.

Further, the proposal is not clear on what "terminate a rental agreement" means. For example, is Betty, the moving individual, still responsible for cleaning, damages, back rent, Bill's forward rent, etc.?

Our view is that this is both poorly drafted from a technical standpoint, but also, in general terms, a shift of financial responsibility to the landlord that makes no public policy sense. We offer a change to the bill that will allow a victimized tenant to leave the premises and be relieved of the balance of their lease but clarify that all tenants are obligated for rent or damage up to the date of early termination.

Conclusion

As a resident of Alaska who has committed substantial personal financial resources to provide housing in this community, we have a great interest in any measure that would improve or clarify the relationship between a landlord and a tenant. We welcome an opportunity to participate in any discussion that would deal with these issues, but hope that your Committee would take the time to be concerned about the issues raised in this letter before allowing this bill to leave your Committee.

Cordially,

Richard L Block, Manager

Konrad Jackson

From: Kristen Abegg <kris@paragonpropak.com>
Sent: Monday, February 24, 2014 1:27 PM
To: House Labor and Commerce
Subject: Regarding House Bill No. 282

To Whom It May Concern

I strongly support the proposed House Bill No. 282 (Landlord Tenant statute update).

I am a long time residential property manager. The current statute is in dire need of updating and this bill addresses many of the deficiencies in the current statute.

In the past, I have been involved in the re-write of the "Landlord Tenant Handbook" and am well versed in the current Landlord Tenant Statutes. The proposed update to the statute will clarify a number of "gray" areas as well as address new issues (i.e. service animal definition) that have cropped up in recent years.

The new statute also requires that a "property condition" report be completed and made part of the rental agreement. This is a key element to the bill. It will help protect both Landlord and Tenant from disagreements on property condition that crop up at move out. I suspect it will help eliminate many of the conflicts that occur due to failure to complete a condition report at move in.

I encourage you to move this bill forward.

Sincerely,

Kris Abegg, Broker

Paragon Properties

240 E. Tudor Rd. Ste 210

Anchorage, AK 99503

(907) 349-1200



ALASKA ASSOCIATION OF REALTORS, INC.
4205 Minnesota Drive Anchorage, Alaska 99503
Telephone (907) 563-7133 Fax (907) 561-1779
www.alaskarealtors.com

February 24, 2014

Representative Doug Isaacson
Alaska House of Representatives
Alaska State Capitol Room 13
Juneau, Alaska 99801

RE: HB 282 - "An Act relating to the rights and obligations of residential landlords and tenants; and relating to the taking of a permanent fund dividend for rent and damages owed to a residential landlord."

Dear Representative Isaacson,

The Alaska Association of REALTORS® with over 1,600 members statewide supports House Bill 282, which will update the existing Uniform Residential Landlord Act and takes into consideration current circumstances, technologies and laws.

The Alaska Association of REALTORS® supports this bill because it will allow landlords to collect a separate pet deposit, change the security deposit refund from 15 days to 30 days, define the meaning of normal wear and tear and allow a landlord to attach a tenant's Permanent Fund Dividend to any judgment for unpaid rent or damages.

The Association believes that by updating this bill it will integrate the best practices for property managers and protect against potential problems regarding landlords and tenants.

The Association encourages the passage of House Bill 282.

Sincerely,

A handwritten signature in cursive script that reads 'Errol Champion'.

Errol Champion
Alaska Association of REALTORS®
Industry Issues Chairman



April 7, 2014

TO: AAR Board of Directors
AAR Issue Committee members

FROM: Errol Champion
Director and Issues Committee Chairman

SUBJECT: HB 282

The AAR has been working to update the landlord/tenant law. HB 282 by Representative Doug Isaacson is working its way through the House Judiciary Committee. We need your help to get it moving in the last weeks of the legislative session.

We are asking that you send the below message or something near it to the members of the House Judiciary Committee and your own legislator.

If you wish to review the bill itself and documents that have been filed with it click on [HB 282](#)

This should take you to this web site:
http://www.legis.state.ak.us/basis/get_bill.asp?session=28&bill=HB282

The Alaska Association of Realtors supports House Bill 282 that improves the landlord/tenant relations. It addresses many issues and maintains a positive balance between tenant and landlord rights. We would hope the bill updating Alaska's landlord/tenant law will pass and become law this year.

Please sent an email to the following members of the House Judiciary Committee:

Rep. Wes Keller (HD 7) rep.wes.keller@akleg.gov
Rep. Bob Lynn (HD 23) rep.bob.lynn@akleg.gov
Rep. Max Gruenberg (HD 14) rep.max.gruenberg@akleg.gov
Rep. Neal Foster (HD 39) rep.neal.foster@akleg.gov
Rep. Gabrielle LeDoux (HD 13) rep.gabrielle.ledoux@akleg.gov
Rep. Charisse Millett (HD 24) rep.charisse.millett@akleg.gov
Rep. Lance Pruitt (HD 25) rep.lance.pruitt@akleg.gov

16th Avenue Apartments LLC

P O Box 90133
Anchorage, AK 99509-0133

Office Phone: 907-272-1423
Emergency Phone: 907-440-7283

March 11, 2014

Representative Doug Isaacson
Alaska House of Representatives
Alaska State Capitol Room 13
Juneau, AK 99801

RE: HB 282 – “An act relating to the rights and obligations of residential landlords and tenants; and relating to the taking of a permanent fund dividend for rent and damages owed to a residential landlord.”

Dear Representative Isaacson,

Thank you for taking the time to draft changes to the Residential Landlord and Tenant Act. As a residential rental property owner and landlord I appreciate the updates you've suggested and look forward to their being accepted.

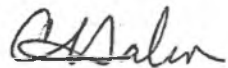
I'm particularly encouraged to see a definition of 'normal wear and tear', as this can be difficult for the average person to determine and explain to someone else. One person's 'normal' is another person's damage.

Another update I'll look forward to is the one related to limiting the number of persons in a dwelling. Units are sometimes occupied by many more people than they were intended to house, without a clear ability to limit or control the number within the law, the unit can become unsafe.

Representative Doug Isaacson
HB 282
March 11, 2014

The revisions I saw in your Sponsor Statement will add protections for landlords and tenants that are long past-due, thanks again for your time and attention to making our communities stronger and safer.

Sincerely,



Cathleen Hahn

16th Ave Apts HB 282 revisions to Landlord Act.docx



March 27, 2014

The Honorable Representative Wes Keller, Chair
House Judiciary Committee
State Capitol, Room 118
Juneau, AK 99801

Re: HB282 – Residential Landlord and Tenant Act

Dear Representative Keller:

The Alaska Hotel and Lodging Association (AkH&LA) is the leading voice and resource for Alaska's lodging industry, providing jobs to over 13,000 Alaskans and contributing over \$52 million in municipal tax revenues each year.

AkH&LA supports policies that will help Alaska's hospitality businesses succeed. We understand the importance of HB282 to help protect landlord and tenant rights.

When most think of the hotel and lodging industry, we immediately think of all the wonderful visitors that embark on our State each season, touring for 7 to 10 days and returning home to share their experiences. There are many other types of guests that partake in the comforts of our hotels with stays that sometimes last longer than 30 days.

Our concern in HB282 is found in Section 16 where exemptions from Landlord Tenant statutes are listed. Of specific concern is new language as follows: "*transient occupancy means the presence or stay of an individual for less than 30 consecutive days*". For example, Hotels serve clients in a variety of ways; out-patient medical treatments require a lengthy stay, airline crew contracts guarantee rooms no matter the length of stay to ensure that the airline client will always have a room, and our ever growing film industry utilizes rooms for weeks on end during production of films capturing the essence of our State.

AkH&LA supports HB282 and requests an amendment to remove the proposed verbiage in Section 16 as noted above.

Sincerely,

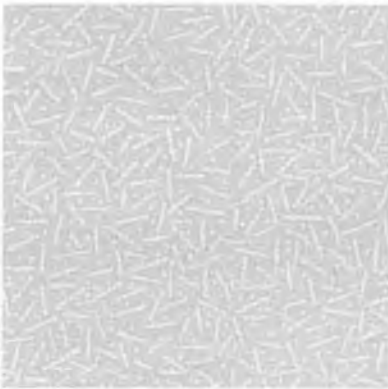
Gretchen Kenney, Executive Director
Alaska Hotel and Lodging Association

Ernest Prax

From: Rep. Wes Keller
Sent: Monday, April 07, 2014 11:51 AM
To: Ernest Prax
Subject: FW: HB 282
Attachments: image001.jpg; image002.jpg

Fyl*j

From: Michael Droege [<mailto:mjdroege@aci.net>]
Sent: Monday, April 07, 2014 10:15 AM
To: Rep. Wes Keller
Subject: HB 282



Representative Keller,

The Alaska Association of Realtors® supports House Bill 282 that improves the landlord/tenant relations. It addresses many issues and maintains a positive balance between tenant and landlord rights. We would hope the bill updating Alaska's landlord/tenant law will pass and become law this year.

Sincerely,

Michael J. Droege

2011 President, Anchorage Board fo REALTORS®

2012 ABR, REALTOR® of the Year

2013 President, Alaska Association of REALTORS®

Co-Owner/General Manager

Century 21 North Homes Realty

907-230-3372



Ernest Prax

From: Rep. Wes Keller
Sent: Monday, April 07, 2014 11:50 AM
To: Ernest Prax
Subject: FW: HB 282

FYI*j

From: Suellen Appellof [<mailto:suellen@debbieerickson.com>]
Sent: Monday, April 07, 2014 11:26 AM
To: Rep. Wes Keller; Rep. Bob Lynn; Rep. Max Gruenberg; Rep. Neal Foster; Rep. Gabrielle LeDoux; Rep. Charisse Millett; Rep. Charisse Millett
Subject: HB 282

The Alaska Association of Realtors supports House Bill 282 that improves the landlord/tenant relations. It addresses many issues and maintains a positive balance between tenant and landlord rights. We would hope the bill updating Alaska's landlord/tenant law will pass and become law this year.

Suellen Appellof, GRI, ePro, SFR, MRP

Associate Broker

Licensed Assistant for Debbie Erickson, Team Erickson

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