

Alaska Association of REALTORS
Industry Issues KWG
Thursday, February 24, 2011
Minutes

The meeting was called to order at 10:00am by chairman Dave Somers.

Present:	Dave Somers	Glenda Feeken	Ruth Blackwell
	Errol Champion	Debra Leisek	PeggyAnn McConnochie
	Paddy Coan	Janice Strong	Amy Krier
	Art Clark	Eva Loken	Wendy Chamberlain

Lobbyist Wendy Chamberlain gave an update of the issues being discussed in Juneau including the oil tax, energy issues and the revenue surplus from the current increase in oil prices. She also discussed the senior tax exemption versus revenue sharing in Anchorage, Wasilla, Kenai and Fairbanks. Currently the exemption is costing these areas more money than what they are receiving from the State revenue sharing. She indicated that there would probably be a special session this year.

HB 130- Fire Sprinkler Bill – This bill should be on the House floor soon. Discussion took place about the wording in the bill “all new construction”. It was agreed by the committee to remove the word “all”. Wendy will talk to the sponsor of the bill and ask for a friendly amendment on the bill.

Usury Fee – The Committee agreed that a separate bill should be drafted and introduced regarding the usury fee issue. The bill will be worded as follows;

Amend Sec. 45.45.010 (b). Legal rate of interest; prepayment of interest.

(b) Interest may not be charged by express agreement of the parties in a contract or loan commitment that is more than the greater of 10% or five percentage points above the annual rate charged member banks for advances by the 12th Federal Reserve District on the day on which the contract or loan commitment is made. A contract or loan commitment in which the principal amount exceeds \$25,000 is exempt from the limitation of this subsection.

Property Management Taskforce – A report was submitted by the Property Management Taskforce chaired by Gina Pelia. The taskforce reviewed the following sections of the Alaska Tenant Landlord Act.

Reasonable Wear and Tear – A clearer definition was discussed. The taskforce recommended using the Florida definition which is “Normal Wear and tear in light of the tenancy does not constitute damages. The wear which the property undergoes when the tenant does nothing more than come and go and perform the acts usually incident to an ordinary way of life.”

Security Deposit Timeline

Statutory deadline to return Security Deposits – It was recommended by the committee to change the security deposit return time from 14 days to 30 days.

Steam Cleaning Carpets – It was agreed upon that the tenant should be responsible for steam cleaning the carpets at move out if they were steam cleaned when the tenant moved in.

Education – The committee agreed that mandatory education should be required for property managers.

Reasonable wear and tear, security deposits and steam cleaning would all be a statute change. Education requirements would be a regulation change through the Alaska Real Estate Commission.

The Committee agreed to research the Alaska Tenant Landlord Act further prior to submitting a bill for the statutory changes.

Unlicensed Contractors – The group discussed changing the exemption form through the Alaska Real Estate commission by adding a residential endorsement line to the form. The committee will wait for the home builders to file a bill regarding this issue.

Gas Pipeline to Homer – Debra Leisek discussed that this is a great opportunity for Homer to receive natural gas with the pipeline going to the North Fork. She asked for a letter of support from the Alaska Association of REALTORS. The Committee agreed to write a letter of support to provide affordable energy alternatives to various areas in the State and to extend the pipeline to Homer so they can receive natural gas. The letter should be addressed to the House and Senate Chairs of the Energy and Natural Resources Committee. Dave Somers and Sandy Eherenman will draft the letter.

The meeting was adjourned at 10:55 am.