

Deposits go in escrow

The Consumer Protection Section of the Attorney General's Office is attempting to inform all residential landlords in Alaska that they are required by law to maintain a separate trust account for all security deposits and/or prepaid rents. The Attorney General's office is now involved in a lawsuit as a result of one landlord's failure to maintain a separate trust account.

The establishment of a separate trust account is required under the Alaska Uniform Residential Landlord/Tenant Law. That

law requires that the separate account be designated a trust account and that all security deposits go in that account. Those monies do not become the property of the landlord and must be held in the separate account for any time that a tenant leaves the apartment. The money

only becomes the property of the landlord when the tenant leaves without paying rent or when the property is damaged.

Landlords have 14 days after the tenant has left the premises to return all or part of the damage/security deposit.

A trust account is established at a bank in the same way any other account is opened.