

March 17, 2021

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On Behalf of the North Dakota Coalition for Homeless People
Testimony on HB 1442
Senate IBL Committee

Chairman Klein and Members of the Committee:

I testify today on behalf of the North Dakota Coalition for Homeless People in favor of HB 1442. Currently, 39% of North Dakotans spend more than 30% of their income on rent, causing them to be “cost burdened” by their housing. In the current economic climate, we all know members of our communities that have struggled to make ends meet. This bill seeks to make a common-sense change to law, capping late rent fees. This change balances the right of cost-burdened renters to have a fair penalty should they fall behind, and the landlords’ need to have recourse when tenants are late in paying rent. The House amended the original bill to place the cap at 10% rather than 8%. The NDCHP requests that this committee return the cap to the original 8%.

An audit of ND leases conducted by the High Plains Fair Housing Center database showed a great deal of discrepancies in amount of the late fee charged by landlords. Late fees started as little as \$10 and went all the way up to an initial late fee of \$100, with an additional \$100 per week charged thereafter. Though there is a wide variety in late fees throughout the state, the 8% cap as proposed within this legislation aligns with late fees at the majority of major property management companies throughout the state.

HB 1442 is one of several pieces of legislation under consideration that seeks to improve fairness in and access to stable housing. These efforts are critical as data consistently shows that providing housing with reasonable supports is a much more cost-effective strategy than allowing North Dakotans to fall into homelessness. Homelessness costs our communities a lot of money. People experiencing homelessness often make up less than 10% of the population but consume

50-60% of resources. HUD estimates that a person experiencing chronic homelessness can cost a community \$30,000-50,000 a year. Efforts like this one help keep renters' heads above water, which is beneficial for the renter, the landlord and the community at large.

HB 1442 is a piece of legislation that seeks to make a common-sense change to ND law, allowing a fair penalty for struggling tenant. NDCHP urges a "do pass" recommendation on HB 1442, and an amendment returning the cap to 8%.