

February 2, 2021

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Lobbyist # 209  
North Dakota Apartment Association

Re: House Bill 1440

We (North Dakota Apartment Association), are opposed to HB 1440.

This Bill attempts to mandate how a property owner can run their rental business in how they apply payments towards a lessee's outstanding balance. Most landlord leases outline and state within the lease how monies are applied to a tenant's ledger. A typical order would be starting with security deposit, late fees, NSF fees, repair expenses, utility billing, attorney's fees, and then rent. The reason for this accounting practice is that the current statute regarding non-payment only allows for an eviction on rent past due.

If a lessee happens to have a large repair bill or numerous unpaid utility bills that revert to the property owner, this accounting practice allows the owner to take action if a tenant is refusing to pay other legitimate charges beyond rent. If this Bill were to pass, the only recourse a property owner would have is to non-renew when the lease expires, file a small claims court action, and possibly turn the balance over to a collections agency. This process would be more cumbersome to the property owner and their property rights.

We urge a do not pass on HB 1440.