

**Testimony in Support of  
ENGROSSED SENATE BILL NO. 2159  
House Industry Business & Labor Committee  
March 10, 2021**

Chairman Lefor, members of the House Industry Business & Labor Committee, for the record my name is Kent French. I'm here today representing the North Dakota Manufactured Housing Association (NDMHA) and the residents that live in manufactured housing communities across the state of North Dakota. I am the Legislative Committee Chair for the NDMHA. I have asked that a representative from Kelsch Ruff Kranda Nagle & Ludwig Law Firm of Mandan, our lobbyists for NDMHA, to appear and be available to provide a copy of my written testimony to you.

NDMHA is a state trade association representing all segments of the manufactured housing industry, including: manufactured home builders, suppliers, retailers, community developers, owners and managers, insurers and financial services companies. NDMHA works to promote fair laws and regulations, increase and improve financing options, promote a positive image of manufactured housing, provide technical analysis and counsel, promote industry professionalism and remove zoning barriers to the use of manufactured housing. Through these various programs and activities, NDMHA seeks to promote the use of manufactured housing to consumers, developers, lenders, community operators, insurers, the media and public officials in an effort so more Americans can realize their dream of affordable home ownership.

NDMHA is in support of SB 2159 which has been a work in progress for over 1 ½ years. SB 2159 is a culmination of hundreds of complaints I have received from residents living in Bismarck and Fargo park communities that were purchased by out-of-state interests. These complaints came from individual residents that have written or called or from one of the large group of residents that I spoke with. At the end of my written testimony is a brief **Summary of Requirements Established Within Engrossed SB 2159** for your reference.

I appear before you as a representative of the NDMHA but also on behalf of the residents of manufactured housing communities because I am the most familiar with the residents. I have managed seven park communities over a 40 year period, three of which I developed or help develop but most importantly I lived in all of the park communities that I managed and developed. Because I was in a management position, I helped develop all of the park's rules, regulations and lot rents. Also, because I lived next-door to the residents who were also my friends, I understood the need for establishing fair and reasonable rules, regulations and lot rents.

Today I was going to give you the same testimony that I gave and used in the Senate IBL Committee but the stakes are too high. Residents of manufactured housing communities across North Dakota are relying on me and others giving testimony to you today to stop the predatory practices of some of the out-of-state ownership interests. For those of you who would ask what predatory practices, I would ask you to go online and look up for example Havenpark community problems. As you will see even a United States Senator has been investigating these types of out-of-state community ownership entities and their predatory practices.

One of the items that Havenpark has challenged NDMHA on is the fact that our association doesn't have any out-of-state park community owners as members. NDMHA is represented by dealers, park operators, bankers, set up companies, transportation companies, and community residents. If Havenpark owners had done their homework, they would've found out that our NDMHA membership does have out-of-state park owners. In fact our president elect operates multiple communities and has been the past president at least three times and is the current president elect of our association.

Havenpark also states in a letter to North Dakota Senators and Representatives asking whether we as an association understand the costly

mandates that are in SB 2159. Not only do we understand the costs but in most cases they have already been implemented by our park operators, which is the reason SB 2159 is not written for just the out-of-state ownership interests but for all park community operators in North Dakota.

Also in that same letter Havenpark mentions having to pass the costs of SB 2159 onto the residents in their park communities which almost sounds like they're going to use this as an excuse to raise the rents once again. As we've been hearing in our country never let a crisis go to waste. Finally, Havenpark's CEO Pratt shares with you that I am a community owner which is not the case. I am not an owner nor have I ever been an owner. I serve on the Board of Directors for NDMHA and represent the residents that live in the park communities across North Dakota. Havenpark's CEO Pratt does complain about our association not allowing Havenpark as a member in our association, and the reason for that is not because we don't want them to be a part of our association but we will not and could not defend the management and practices they employ in their park communities. We would strongly encourage Havenpark and other similar out-of-state ownership interests to become a part of NDMHA and they are welcome but the company needs to show respect, restraint and responsibility, to their park community residents.

One of the issues regarding utilities including water and garbage pick up needed to be addressed. In my position with NDMHA I get many phone calls from out-of-state corporations looking to purchase park communities in North Dakota, and typically one of the first questions asked about a particular park community is whether or not they have separate water meters or if it is included in the rent. The reason for this question is in purchasing a park community where water is included in the lot rent they want to put in individual meters so that they can collect the money that was already included and being charged in the lot rent. Garbage is typically the second question as to whether the city picks up the

garbage or if it is picked up by private companies. Of course, the reason for that is when the new park owners take over many times they switch the garbage pick up service to another company or require the residents to take the garbage to a central facility location all of this costing the residents more money.

We also must understand the difference between owning a manufactured home on leased property versus an individual that lives in other rental property. Residence owning their own manufactured home located on leased property are, to some extent, at the mercy of the park ownership, especially in North Dakota with our cold winters. If a person had to move a manufactured house such as a 16 wide in the summer time your cost could be about \$6,000 or for a double wide about \$15,000 and you would have to add another 40% to that cost for a move completed in the winter.

SB 2159 addresses many of these concerns of the tenants as well as understanding the rights of the park owners. This bill cannot address every problem or complaint. However, it does address serious legitimate concerns like a lack of communication with the residents and also sets out reasonable parameters with the time frames as identified.

In closing, I would like to thank Chairman Lefor and members of House IBL committee for this opportunity to give my testimony, but I would be remiss if I didn't share with you that we would have had some additional testimony from various community park residents but they felt intimidated and were worried about possible retribution. Again, I would like to thank you for this opportunity to testify, and urge your support of SB 2159 and respectfully request a **DO PASS** recommendation on **SB 2159**. I would be happy to try to answer any questions.  
Sincerely, Kent French

## **Summary of Requirements Established Within Engrossed SB 2159**

### SECTION 1 - Mobile Home Park - Transfer of Ownership - Tenant rights:

Page 1, line 7 to page 2, line 4

Annual license with ND Dept of Health

Have a local office with telephone number manned 8 am - 5 pm weekdays; emergency contact available 24 x 7; and decision maker on site

30 days notice before ownership transfer effective

Rules and regulations given to tenants

48 hours to respond to inquiry or complaint

Page 2, lines 5 - 7

No requirement to sell or transfer mobile home to park owner

Page 2, lines 8 - 15

Provide 6 months notice of any change in rules or regulations allowing to comply or vacate

Page 2, lines 16 - 18

Provide 30 days notice of any change in rules or regulations regarding sanitation or safety

Page 2, lines 19 - 22

Provide 30 days notice for any dwelling unit modifications required with financing

Page 2, lines 23 - 25

Existing rules remain in effect until modifications take effect

Page 2, line 26 to page 3, line 2

No entry into mobile home without consent, advance notice or an emergency exists

Page 3, lines 3 - 5

No rent increase for 6 months if increased within 60 days of acquisition

Page 3, lines 6 - 16

Utility service provided to tenant may not be charged an amount more than actual cost with reasonable administrative fee

Page 3, lines 17 - 19

Violation is subject to a civil penalty of up to \$1,000 or actual damages plus reasonable legal fees

SECTION 2 - Mobile Home Park - Ownership - Tenant rights:

Page 3, line 22 to page 4, line 9

Annual license with ND Dept of Health  
Have a local office with telephone number manned 8 am - 5 pm weekdays; emergency  
contact available 24 x 7; and decision maker on site  
30 days notice before ownership transfer effective  
Rules and regulations given to tenants  
48 hours to respond to inquiry or complaint

Page 4, lines 10 - 12

No requirement to sell or transfer mobile home to park owner

Page 4, lines 13 - 19

Provide 6 months notice of any change in rules or regulations allowing to comply or vacate

Page 4, lines 20 - 22

Provide 30 days notice of any change in rules or regulations regarding sanitation or safety

Page 4, lines 23 - 26

Provide 30 days notice for any dwelling unit modifications required with financing

Page 4, lines 27 - 29

Existing rules remain in effect until modifications take effect

Page 4, line 30 to page 5, line 5

No entry into mobile home without consent, advance notice or an emergency exists

Page 5, lines 6 - 16

Utility service provided to tenant may not be charged an amount more than actual cost with  
reasonable administrative fee

Page 5, lines 17 - 19

Violation is subject to a civil penalty of up to \$1,000 or actual damages plus reasonable legal  
fees

SECTION 3 - Effective date for existing ownership situations is October 1, 2021 - Assuming the  
effective date after passage is August 1, 2021.