

**Testimony in Support of  
SENATE BILL NO. 2159**

**Senate Industry Business & Labor Committee**

**January 20, 2021**

Chairman Klein, members of the Senate Industry Business & Labor Committee, for the record my name is Kent French. I am the Legislative Committee Chair for the North Dakota Manufactured Housing Association. Unfortunately, I am unable to attend the hearing. However, I have asked that a representative from Kelsch Ruff Kranda Nagle & Ludwig Law Firm of Mandan, our lobbyists for the North Dakota Manufactured Housing Association, appear and be available to provide my testimony to you today on behalf of the North Dakota Manufactured Housing Association (NDMHA). NDMHA is in support of SB 2159, together with the amendment that is being offered. At the end of my written testimony is a brief Summary of Requirements Established Within SB 2159 for your reference.

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 supports SB 2159 for a number of reasons: This bill has been a work in progress for over 1 ½ years. The bill is a culmination of hundreds of

complaints I have received from residents living in Bismarck and Fargo communities that were purchased by out-of-state corporations. These complaints came from individual residents that have written or called or from one of the large group of residents that I spoke with.

Because a purchaser is from out-of-state doesn't necessarily make them bad owners. In fact, we have a new owner in our state association that cares very much about their residents but on the other hand, NDMHA has voted unanimously to not allow membership to the largest and most egregious new park owner unless and until they change their rules and show respect to their residents.

Some of these corporations from out of state are not doing their due diligence prior to the purchase of the park communities. They don't understand the financial needs of the individuals in the park community or the lifestyles of the North Dakota residents that have chosen to live in a manufactured housing park community.

This bill cannot address every problem or complaint. However, it does address serious concerns like a lack of communication with the residents. In some cases, residents under new ownership have been without a new lease for many months and have no contact person with authority for any questions, problems or emergency phone numbers. The residents in these new communities need to know the new owner's intentions so the residents have an opportunity to either sell their home or to find parking elsewhere.

Bismarck had a situation that required the resident to sell to them or give first right of refusal to the new owners. In this situation, I personally called the CEO of the out-of-state corporation and explained that if he didn't change the policy NDMHA was going to take the company to court. The CEO agreed to change the policy for the company while we were on the phone.

I personally have been involved with the development of three new communities in North Dakota and have been in the manufactured housing industry for over 50 years. For many of those years, I chose to live in the communities I managed and in the housing units I sold. I cared for and respected the residents and I too live by the rules and the lot rent I put in place.

After SB 2159 was introduced it was noted that some of the specific requirements being established for new park community ownership situations were not specifically in effect for existing park communities. Even though the requirements were identified based on what existing park communities expect and are following for the residents it was decided that an amendment should be included to make the same provisions statutorily in effect for existing park communities. Further, there was a concern expressed by the Public Service Commission about the inclusion of utility services for electric and gas which are not generally available for resale and would require certain approvals before a park community is allowed to do so. Therefore, the reference to those utilities of electric and gas are being deleted within SB 2159.

These are the reasons I'm promoting SB 2159 to address the legitimate complaints of the residents without infringing on the rights of the park owners. I ask for your favorable support of SB 2159. Accordingly, on behalf of the NDMHA, I would urge a **DO PASS** recommendation for **SB 2159**. I would be happy to try to answer any questions.

## Summary of Requirements Established Within SB 2159

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 24x7; and decision maker on site  
30 days notice before ownership transfer  
Rules and regulations given in advance 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

Amendment:

The requirements with new park community transfer situations are being applied equally to existing park communities and the reference to electric and gas utility service is deleted