

*North Dakota Century Code 47-16*  
*Move- in and post move-out inspections of leased property*

Chairman Louser and members of the Committee, my name is Connie Samuelson from Minot.

I would like to speak in favor of Senate Bill 2331 for the following reasons:

There are currently over 4000 apartment buildings in North Dakota housing single parents, families, young adults, military personnel and college students who expect shelter, safety and fairness while living in these dwellings they call home.

NDCC 47-16-07.2 states that a landlord and tenant must sign a statement detailing condition of premises at the beginning of the rental agreement. The first taste of independence a young person experiences is moving out on their own and this often requires signing a Lease. In August 2020 my young daughter, a full time college student, took over a Lease for an apartment in Minot. This was a transfer lease so a walk-through inspection with the Landlord was not permitted, nor could any additions be made to the prior tenant's move-in Rental Inspection Checklist. The damage security deposit was returned in full to the prior tenant without any inspection. My daughter had to put up her own damage security deposit. She had to sign an Agreement accepting responsible for any damages or items that may have been missed on the prior tenant's move-in Rental Inspection Checklist. My daughter's damage security deposit would be used to pay for any repairs including the prior tenant's damages. When my daughter went to the apartment after the original tenant moved out, she noticed a cat had been living in the apartment with the original tenant. She promptly contacted the property manager to go and inspect the apartment with her, she was denied and reminded that her transfer lease is not treated as a new rental agreement but is a "transfer of condition" and she is responsible for the apartment without any inspection.

At the end of my daughter's lease, she, my husband and I, thoroughly cleaned the apartment according to the rental cleaning checklist provided by the Property Manager. The keys were dropped off at the management office on January 15, 2022. NDCC 47-16-07.1, states that a Lessor has 30 days in which to provide to the Lessee an itemized statement or full refund of the damage security deposit. Since neither had been received within the required 30 days, my daughter and I went to the property management company on February 25<sup>th</sup> to collect her security deposit which was now 10 days delinquent. It was at this time, we were informed that she would not be getting her damage security deposit back. It has been charged to repair items already documented on the original tenant's Rental Inspection Checklist, normal wear and tear as well as to patch, texture and prepare the unit for a full paint. The building owner was billed for the routine painting of the unit which was considered normal wear and tear. My daughter's damage security deposit was also charged for professional cleaning to clean after the maintenance personnel and painters had completed their routine work. I spoke with the owner of the professional cleaning company. She informed me that she does not get a "work order" before going in and cleaning and she does not clean after the tenant vacates the premises but is called to clean after the contractors have been working in the units as well as using the facilities for multiple days. I also spoke with the owner of the maintenance company. He informed me that he does not separate damages from normal wear and tear on the Invoices he submits to the property management company.

My daughter disputed these charges and allegations and proceeded with and won a Small Claims Court action. The Judge ruled that pursuant to the file and testimony at the hearing, my daughter proved her claim and was awarded her entire damage security deposit along with Court costs.

Had my daughter been offered a move-in inspection with the Property Manager and had there been post move-out inspections at the expiration dates, she would not have had to go through a lengthy Court proceeding to prove the claims were not caused by neglect, abuse or carelessness but were normal wear and tear and not her obligation to pay. Reasonable wear and tear are part of the monthly rent cost and should not be deducted from a damage security deposit.

North Dakota has 11 public colleges and universities with graduating students eager to get on with their careers. I was an advocate for my young daughter. Most college students do not have the time nor resources to go through a Court action so they are left to rely on the laws of the state.

It is my position if tenants are informed of a face to face inspection with the landlord, they would treat their apartment with respect and leave the unit in clean form. This in turn would provide a shortened turn-around time for the landlord to relet the apartment. If passed, SB 2331 would hold the proper tenant responsible for how they left the apartment and hold the Landlord accountable for how they found the apartment at the termination of the Lease.

In closing, I think both Landlords and Tenants would benefit from the fairness of Senate Bill 2331 and I hope you consider a "DO PASS" vote on this Bill.

Thank you for your time and attention regarding this matter.

Connie Samuelson

**47-16-07.1. Real property and dwelling security deposits - Limitations and requirements.**

1. The lessor of real property or a dwelling who requires money as a security deposit, however denominated, shall deposit the money in a federally insured interest-bearing savings or checking account for the benefit of the tenant. The security deposit and any interest accruing on the deposit must be paid to the lessee upon termination of a lease, subject to the conditions of subsection 2.
2. A lessor may not demand or receive security, however denominated, in an amount or value in excess of one month's rent, except:
  - a. A lessor may accept an amount or value up to two month's rent, as security, from an individual convicted of a felony offense as an incentive to rent the property to the individual.
  - b. A lessor may demand an amount or value up to two months rent, as security, from an individual who has had a judgment entered against that individual for violating the terms of a previous rental agreement.
2. A lessor may charge a lessee a pet security deposit for keeping an animal that is not a service animal or companion animal required by a tenant with a disability as a reasonable accommodation under fair housing laws. A pet security deposit may not exceed the greater of two thousand five hundred dollars or an amount equivalent to two months' rent.
3. A lessor may apply security deposit money and accrued interest upon termination of a lease towards:
  - a. Any damages the lessor has suffered by reason of deteriorations or injuries to the real property or dwelling by the lessee's pet or through the negligence of the lessee or the lessee's guest.
  - b. Any unpaid rent.
  - c. The costs of cleaning or other repairs which were the responsibility of the lessee, and which are necessary to return the dwelling unit to its original state when the lessee took possession, reasonable wear and tear excepted. Application of any portion of a security deposit not paid to the lessee upon termination of the lease must be itemized by the lessor. Such itemization together with the amount due must be delivered or mailed to the lessee at the last address furnished lessor, along with a written notice within thirty days after termination of the lease and delivery of possession by the lessee. The notice must contain a statement of any amount still due the lessor or the refund due the lessee. A lessor is not required to pay interest on security deposits if the period of occupancy was less than nine months in duration. Any amounts not claimed from the lessor by the lessee within one year of the termination of the lease agreement are subject to the reporting requirements of section 47-30.2-04.
4. A lessor is liable for treble damages for any security deposit money withheld without reasonable justification.
5. Upon a transfer in ownership of the leased real property or dwelling, the security deposit and accrued interest shall be transferred to the grantee of the lessor's interest. The grantor shall not be relieved of liability under this section until transfer of the security deposit to the grantee. The holder of the lessor's interest in the real property or dwelling at the termination of a lease shall be bound by this section even though such holder was not the original lessor who received the security deposit.
6. This section applies to the state and to political subdivisions of the state that lease real property or dwellings and require money as a security deposit.

**47-16-07.2. Statement detailing condition of premises to accompany rental agreement.**

A landlord shall provide the tenant with a statement describing the condition of the facilities in and about the premises to be rented at the time of entering a rental agreement. The statement shall be agreed to and signed by the landlord and tenant. The statement shall constitute prima facie proof of the condition of the facilities and the premises at the beginning of the rental agreement.