



March 9, 2023

North Dakota Senate Transportation Committee  
State Capitol  
600 East Boulevard Avenue  
Bismarck, ND 58505

Re: HB 1310 – relating to electric vehicle charging station installation in condominiums; and to provide a penalty

Position: Support with Amendment

Good morning, Chair Clemens, Vice Chair Conley, and Senators Larson, Paulson, and Rummel,

Thank you for the opportunity to provide the Senate Transportation Committee with comments on HB 1310 – relating to electric vehicle charging station installation in condominiums; and to provide a penalty. My name is Phoebe E. Neseth, Esq. and I am the Director of Government and Public Affairs for the Community Associations Institute representing 74.2 million Americans living in more than 358,000 communities in the United States, including the more than 48,000 North Dakotans who live in community associations across the Peace Garden State.

Before continuing, I want to thank the prime sponsor, Representative Josh Boschee for his willingness to engage with CAI as this bill has made its way through the Legislative Assembly. I would like to also thank him for his championship for community associations, particularly through the amended HB 1310 language, which is helping create stronger public policy for community associations in North Dakota.

I ask today that you consider supporting the proposed amendment to HB 1310, which the community association industry believes will strengthen the bill and further protect homeowners from undue financial burden. CAI is happy to support this bill once the amendment has been adopted.

This bill would open more common area space in North Dakota condominium communities to the mandated installation of electric vehicle charging stations, and while CAI does support the right for homeowners to choose to purchase an electric vehicle, it is imperative that it does not come at a cost to the entire community and is practical in design.

These proposed amendment covers issues pertaining to insurance, indemnity, and liability, as well as reasonable attorney's fees. When new costs stemming from insurance increases due to the installation of an electric vehicle charging station, as well as from related enforcement actions, are forced on a condominium board, then those costs will end up being passed onto homeowners, unless specific protections are in place. We want to ensure a fair allocation of costs



and insurance liability, and not see North Dakota inadvertently create a situation that unduly burdens an entire community for the decisions of one resident.

Additionally, this amendment provides further clarification on the separation of limited common elements, which are generally the responsibility of a specific unit owner, and common elements, which are the responsibility of the condominium association writ large. CAI supports reasonable efforts to accommodate a unit owner's request to install an electric vehicle charging station, however, there must be limits to what is allowable. The amendments proposed today allow associations to deny electric vehicle charging station installation under certain circumstances, including possible violations of building codes or structural limitations, and in cases where the cost of converting a common element to a new use would be unreasonably high.

As stated before, this language is intended to protect both homeowners and associations from unreasonable costs stemming from the decision of one resident- it is CAI's firm belief that the decision of one person to purchase an electric vehicle should not turn into a financial burden on the entire community. Electric vehicles are a growing market force, and we need to make sure that all considerations are taken into account when lawmakers debate legislation intended to increase access.

#### [About CAI and the Community Association Housing Model<sup>1</sup>](#)

CAI is the only international membership organization dedicated to the community association model of homeownership. CAI members are homeowners, association board members, managing agents and business partners who work tirelessly to improve the community association model of housing. CAI members have a keen focus on homeowner and board member education, development and enforcement of best practices and ethical standards, and raising standards through credentialing and continuing education requirements for community association professionals. CAI's more than 44,000 members are organized in more than 60 chapters.

For more statistical data on the community association housing model in North Dakota, I encourage you to review the [Foundation for Community Associations Research \(FCAR\), Fact Book: North Dakota State Summary: Community Association Data and Information](#). Community Association Fact Book is published by FCAR and documents the history, current status, trends, and future issues of U.S. community association housing in general. The Fact Book also provides community association information on a state-by-state basis. Additionally, I would encourage you to review [FCAR's Annual Homeowner Satisfaction Survey](#), which shows that nationally, approximately 89% of homeowners living in community associations rate their overall experience as very good, good, or neutral.

For these reasons, CAI respectfully requests the Committee adopt the amendment proposed for HB 1310. Again, CAI would support HB 1310 so long as the amendment is adopted.

Finally, I am happy to answer any questions you may have, and CAI is available to have a discussion at any time.



Thank you for your continued leadership and flexibility. Please contact CAI with any questions.

Sincerely,

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<sup>i</sup> Role & Benefit Community Association Housing

Emerging in the 1970s, community association housing was a means to address issues of land use and limited resources at the state and local level for housing development. HOAs and condominiums allowed for affordable and efficient construction of housing while concurrently limited the financial impact of such development on local and state governments. The investment in community infrastructure including roads, retention ponds, parks, club houses and amenities are borne by developers and the ongoing cost of maintenance is supported by assessments paid by residents of the community association. Amenities and infrastructure are driven by market considerations and the result is a vast array of communities that provide consumers with an array of choices in housing and lifestyles.

When purchasing a home in a community association, a resident enters into a contractual arrangement which obligates them to pay assessments to their association, which is governed by a board elected by the residents. Such communities, through deed restrictions and adopted rules have provisions to enhance and maintain the property values of homes in the community. The benefits of such communities accrue to both residents, taxpayers and local business. First, homes in community associations are worth at minimum, 5% more than homes in a traditional community. This directly benefits the purchaser, but also the larger jurisdiction through enhanced property taxes resulting from this value premium. Additionally, community association residents assess themselves to maintain the infrastructure and amenities in their community, costs that would otherwise fall on state or local governments.

More importantly, community associations provide residents with an accessible opportunity for civic involvement. Community Associations are governed by their residents, who elect representatives to serve on a board of directors. This provides a level of local governance that residents find highly responsive to their needs. 93% of association residents rate their experience as positive, and 88% believe their elected boards strive to serve the best interests of their community. In total, more than 1.6 million Americans demonstrate their civic commitment by service on a community association board each year.