

January 20, 2025

Jeremy Petron  
Lobbyist # 209  
North Dakota Apartment Association

Re: HB 1272 - Opposed

Chairman and members of the Committee, My name is Jeremy Petron. I'm a lobbyist with the North Dakota Apartment Association. I have also worked in the apartment rental and property management industry for 20 years. Our Association members are apartment property owners, independent rental owners, property management companies, and employees of those management companies across North Dakota.

NDAA is opposed to HB 1272. This Bill is a bit redundant; there is already language in current statute covering move-in and move-out procedures. NDCC 47-16-07.2 covers inspection of an apartment dwelling prior to a tenant moving in, and agreed to and signed by landlord and tenant. NDCC 47-16-07.1 subsection 3c covers statement of moveout conditions and handling of the security deposit.

To help facilitate the move-in and move-out inspection process, our Association has fillable inspection forms available to members to detail move-in conditions to be signed by both landlord and tenant. The same form has a column for move-out condition, to compare at the time of moveout walk-through, and signed by both parties. As a matter of good business practice, management companies typically already handle this as part of regular procedure to protect both the landlord and the tenant.

In lines 12 & 13 of the Bill, 'remediation plan to repair any damages'; landlords

already have an obligation under NDCC 47-16-13.1 for maintenance of the premises, to comply with codes affecting health and safety, and make repairs necessary for a fit and habitable condition. There are also remedies for Tenants outlined in 47-16-13 if a landlord is non-compliant.

Management companies typically schedule and conduct move-out walk-throughs at the time the resident is turning in keys. However, there is no perfect system for scheduling the move-out walk-through, and one size doesn't fit all. Scheduling conflicts can and do occur for a variety of factors, including staffing resources, quantity of moveouts on the last day of the month (when most moveouts occur), distance to various apartments locations, if other management emergencies arise, or if tenants have other work obligations during regular management office hours.

This Bill would require a pre-moveout inspection. This type of inspection doesn't lend itself to a full determination on all move-out conditions. It is difficult to do a full and complete assessment of final conditions when personal belongings, furniture, and wall hangings are still in the premises. At that time, you can't determine how well the tenant is going to clean the premises until all personal items have been vacated. There can also be masked odors that aren't readily apparent or fully uncovered until all furniture has been removed, and flooring may require black-lighting or carpet to be pulled back to determine pet stains.

Lines 19 & 20 'except as provided in section 47-16-07.3, the landlord may not re-enter the premises until an inspection is conducted'. It is confusing why the part 'may not re-enter' is included here, because NDCC 47-16-07.3 already states clearly the only times when a landlord is allowed to enter an occupied dwelling during the entire tenancy.

Lines 23 & 24 of the Bill requires cost estimates at the time of the [pre-moveout] inspection, and agreed upon by landlord and tenant. As mentioned, some damages may not be immediately apparent. Even if immediately apparent, depending on the severity and type of damage, it may be difficult to properly estimate restoration costs on-the-spot if a contractor estimate would be necessary. It's also possible a landlord and tenant won't agree on the 'reasonable estimate' at that specific time, or that one party fails to appear but claims they communicated reason for the absence. Ultimately, responsible proper documentation is important for both parties if disputes arise.

We urge a do not pass on HB 1272 in its current form.