

Mr. Chairman and Members of the Committee

My name is Kendra Roeder, I work for a small property management company in Bismarck.

I am testifying in opposition of HB 1272 as currently written.

Generally speaking, I am in favor of limited government. Legislation such as this, though having good intentions, have unintended effects on personal lives and businesses of North Dakotans. HB1272, is poorly written and will increase renter move out costs vs helping to lower their move out costs.

Most of this bill could be avoided by renters doing their due diligence before they sign a lease.

1. Rents should choose to live with management companies who will agree to move in/move out walkthroughs. Ask about their policy during the showing and look for the agreement in the lease.
2. Renters need to read their leases before they sign them.
3. Renters need to live in a manner that limits damage to the property. Care for the property like you own it.
4. Renters need to complete all cleaning and repairs that they agreed to complete in the lease.

The goals of this bill (as publicly stated on social media) is to: ensure every tenant has the opportunity to have a move in and move out walkthrough, have the opportunity to take before and after pictures, leave the walkthrough with an estimate so there are no surprise charges and if a disagreement occurs, the ability to take legal action against the landlord.

1. I agree, every tenant should have a move in/out walkthrough. Our business policies on move in/out walkthroughs are stronger than HB1272.
2. Tenants already have the right to take pictures and videos.
3. An estimate before leaving a walkthrough, will lead to increased prices for tenants as this estimate will be at premium prices to ensure coverage of the real hard cost of the materials and labor.
4. Tenants already have the right to take legal action against landlords if there is a dispute.
  - a. The reality is, most renters do not have any evidence on the matter. Tenants often either fail to thoroughly clean the unit or complete repairs, then they are upset about the price of making the unit rent ready. While landlords have pictures, videos, receipts, and written communications as documentation making the tenants' case too weak for most lawyers to take on.

Suggestions from a leasing agent:

1. Section 2.2 “At the conclusion of the inspection, the landlord and tenant shall sign and date the statement acknowledging the inspection under this section has occurred. The statement must include a reasonable estimate, as agreed upon by the landlord and the tenant, of any costs to be withheld from the security deposit as provided in section 47 - 16 - 07.1, plus any additional costs not covered by the deposit. The landlord shall provide a copy of the statement at the conclusion of the inspection.”

I believe this section should be removed as it will cause higher cleaning/repair costs for renters.

- a. “Reasonable estimate”, as a leasing agent, I perform all the move in/out inspections with the tenants. I do not know the cost of labor and material. I do not know how long it will take to patch a hole in the wall. I do not know if that specific refrigerator part is sold in town or if it needs to be ordered or what the shipping and handling costs will be. I can identify damages, but I cannot predict the prices of all labor and materials necessary to make a unit rent ready.
- b. We would comply with HB1272 as written if necessary. We would create a generic price list to cover repairs at ALL rental units, one size fits all. Upon notification of move out, we would send the price list to the tenants along with our checkout procedures. These prices would be based on calculations on past-on-past bills. The tenants would know our prices ahead of time. There would be no disputing the cost, because they would know what the prices are before the move out inspection and they know the damages they caused.
  - i. Please note that all landlords use contractors for something. Landlords cannot control the price of goods and services from contractors. To comply with HB1272, landlords would need to estimate a premium price above and beyond what a contractor may charge to ensure there are no surprise costs to the tenant.
- c. Yes, these prices would be higher than what we currently charge. Currently we do not mark up any of our materials, what we pay is what the tenant pays. Our current practice would be illegal according to HB1272 because we do not know the damages to the unit or the price of materials before the move out walkthrough. With the “not re-enter” clause, it would be illegal for us to complete a pre-move inspection. Such an inspection would allow us to bring a prepared estimate with us. To be legal according to HB1272, we need to make sure every possible expense is anticipated before going to the move out inspection.
- d. I would not be upset with this; it would make my job and billing much easier and hopefully encourage tenants to clean/complete repairs.
  - i. Tenants are required to clean/complete repairs per their lease, but most choose not to and then complain about the cost of cleaning/repairs.

- e. I am looking out for the interest of renters pointing out how this will negatively affect them.
2. Section 2.2 “as agreed upon by the landlord and the tenant” what occurs if this amount is not agreed upon? The tenant may disagree for very unreasonable reasons, then what occurs?
- a. Tenants do not like that we charge \$70 per hour for cleaning and they do not like the number of hours it took to clean the unit.
    - i. We work with a reputable, professional housekeeping company in Bismarck, we cannot control what they charge or how long it takes them to clean.
    - ii. Cleaning is expensive and time consuming, that's why many tenants do not do it themselves.
    - iii. Tenants disagree with that amount all the time, but that is the real cost of cleaning.
  - b. What will occur if they disagree to sign the estimate? Landlords will find other ways to force agreement to the estimate that comply with the law and make disputes difficult.
  - c. This verbiage should be removed or re-written as to state options for if an agreement cannot be reached.
    - i. In current law, if the renter disagrees, they can take their evidence to the legal system.
3. Section 2.3 and 2.4 should use the exact same language for the tenant and the landlord. Tenants and landlords should be held to the same standard when it comes to communicating, scheduling and appearing for a move out inspection.

I appreciate your time, effort and consideration on this matter.  
Thank you,  
Kendra Roeder