

January 28, 2025

Jeremy Petron  
Lobbyist # 209  
North Dakota Apartment Association

Re: SB 2235 - opposed

Chairman and members of the Committee, my name is Jeremy Petron, lobbyist with the North Dakota Apartment Association.

We oppose SB 2235. This Bill is overreaching by restricting property owners and property managers on their accounting practices when applying payment monies to a tenant ledger. Often the priority of payments is outlined in the Lease. A typical order would be starting with security deposit, late fees, NSF fees, repair expenses, utility billing, attorney's fees, and then rent. The reason for this accounting practice is that the current statute regarding eviction for non-payment only applies to rent amounts past due.

If a lessee happens to have a large repair bill or numerous unpaid utility bills that revert to the property owner, this accounting practice allows the owner to take action if a tenant is refusing to pay other legitimate charges beyond rent, that are outlined in the lease. If this Bill were to pass, the only recourse a property owner would have is to wait out until the lease expiration and give notice to terminate. This creates a situation that is cumbersome to the property owner and their property rights.