

Chair and Members of the Senate Industry and Business Committee

Please consider a DO PASS recommendation for SB 2385

My name is Mike Connelly, and I have been a citizen advocate for fellow citizens throughout the state of North Dakota regarding investment companies taking over sales of manufactured home park properties since 2017. Although, I am currently an advocate as a Bismarck City Commissioner, I want to make it clear that I am only representing my perspective and NOT in any capacity is an official stance of Bismarck. Official city positions can be acquired by reaching out to our mayor or our city administrator.

Locally, 8 years ago was the first time we saw MA properties being bought up by out of state investment companies. At the time the rents hovered around \$200 to \$230/mo with no additional fees tacked on. Then, we were introduced to a company out of Utah and tenants were introduced to a 38-page lease, much of what appeared to be not legal within North Dakota. A town hall meeting and subsequent follow-up by our Representative Dick Dever and at the time Mayor Steve Bakken were able to get some of the provisions to be voluntarily removed in negotiating with the new owners.

It was not long after the leases were signed that the tenants were seeing significant rises in rent (which has now gone up to an average of \$700 / mo for the lot, even when most are owned by the tenants. Trailers create a dilemma since owners are not able to move any trailer that is over ten years old, unless they own a large lot properties outside of city limits. To further make it difficult to make families more immobile companies wanted to demand that their hitches be removed, but if families wanted to move, they would have to pay to have the hitch reattached at their own expense. Additionally, MA park owners retain a first right of refusal of sorts where if a tenant tried to sell to someone else, they owners can say “no” on the sale. I know of people that have talked to me and said they have been turned down on sales by the owners. If tenants move because they cannot afford the place or they are evicted, then the owners of the properties file for abandonment property and take the home away from the citizen. I believe this sort of thing is what is driving our people into homelessness as huge profits are sent out of state, leaving us with figuring out how to provide services to those displaced. (Side note: Homelessness in ND is up 26% over the last 4 years and nationally 16% in just the last year and this seems to play a part in it.)

Two summers ago we had a park in Bismarck petition the city commission to re-sell water that would be metered to their residents and it was met with a unanimous no. The point is that what used to be all inclusive when renting lots now has all of a people paying

additional fees for things such as water, sewage, pets, parking, garbage, significant late fees etc.

Last year a company out of Washington bought a MA park across the river in Mandan, 40+ page lease, tore out all of the fences (some of which were put in by the tenants) and upon having the leases signed, were given a notice that although the new owner does not actively list their properties, their properties are always available to be bought. If such an occurrence were to happen, then the notice they received should be considered their first notice of a 30-day eviction notice by the new owner. With no ability to move the trailers they own; this has many on edge when they may lose their home. Can you imagine, the owners hold all the cards without allowing a person to sell their property and yet always on notice that they are just 30 days away from being forced to move.

Additionally, despite several attempts to advocate for tenants in MA parks with bills like SB 2159 (passed) - HB1152 (failed) - HB 1103 (passed) in 2021, and SB 2243 passed in April 2023 to address in home inspections, on site corporate communication, and other provisions it is now known that unless there is more accountability corporate companies are perfectly willing to ignore the laws passed here until we do hold them accountable.

I believe SB 2385 has the potential to do just that and thus recommend a DO PASS of the bill by this committee. Pulling operating licenses, fines, and charges are great ways to let owners know that we mean business. I am all for companies making money if they do so ethically. I am all for tenants that respect their property in the right way. Empower the good, but since few are angels make sure we have the means to hold the bad properties available.

Now, I am not one that is in favor of efforts like “rent controls” or “organized unions”, thus we as conservatives do need to step up and adopt what we can to empower the good and hold the bad accountable. Given the rapid increased costs to families and the difficulties to talk to management in resolving issues we are being taught that regulation is the only way to make an impact on this difficulty. SB 2385 will do that.

Sincerely,

Mike Connelly

Bismarck citizen

Bismarck City Commissioner (personal perspective and not the official position of Bismarck, if desired reach out to the Mayor or City Administrator for official stances of the City of Bismarck

