

2019 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1528

2019 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Peace Garden Room, State Capitol

HB 1528
1/23/2019
31262

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Ellen LeTang

Explanation or reason for introduction of bill/resolution:

Mobile home lien notices, amount of time required before a lienholder may sell a mobile home, non-renewals of at-will leases mobile home lots & ability of mobile home park tenant to cure a nonpayment of rent prior to being evicted.

Minutes:

Attachment 1, 2

Chairman Keiser: Opens the hearing on HB 1528.

Rep Ben Koppleman~District 16: Attachment 1.

11:30

Rep Richter: Is there a requirement for the landlord to make some kind of search to locate the last known address?

Rep B Koppleman: Current law, any additional money left over after a sale, it's to be sent to the most recent known address & the lien is taped to the door.

Vice Chairman Lefor: What section of code are you referring to?

Rep B Koppleman: I will provide that to the committee when I get it.

Rep Adams: If they left when they are so far behind in debt, they are going to probable take off. How do you get ahold of people who have left?

Rep B Koppleman: In the case somebody up & leaves, it's a sign that they are not looking to redeem or get the money that is left over. They would be able to look at that address that was on the lease. A standup person would probable leave a forwarding address.

Rep Kasper: Page 2, line 10, what is that?

Rep B Koppleman: I don't know if there is a definition in our code.

Rep Kasper: What happens to the personal property inside the home?

Rep B Koppleman: I believe that it's considered abandoned property & kept or sold.

Rep Kasper: Page 2, lines 22-24, isn't that a shorter period of time? Shouldn't it be longer.

Rep B Koppleman: I don't know if I read that section the same as you.

Rep Schauer: Will this legislation have the park owners improve their parks?

Rep B Koppleman: I don't believe that it will improve?

Chairman Keiser: Anyone else here to testify in support, opposition on HB 1528?

Alex Kelsh~Attorney w/the law firm of Kelsch, Ruff, Kranda, Nagle & Ludwig in Mandan-representing Manufactured Housing Association: Attachment 2.

33:55

Rep Kasper: What you are stating is that the landlords are willing to work with the renters for a number of months. The bill required 60 days, instead of the 30 days, if the landlord is already doing what the bill is putting into statute. Where is the problem that the landlords have with bill?

Alex Kelsh: We have some members from the ND Manufacturers Association here to speak to this.

Rep D Ruby: Section 3, the new language, if the defendant remains in position of that lock. This forces them to continue to work with them & maybe go through this again in six months. Am I reading this right?

Alex Kelsh: Yes, you are giving them the additional time, but the relationship will never be the same anymore if court action happens.

Vice Chairman Lefor: Is it true that prior to being be able to sell a home, you need to get a judgment? Prior to that that you are sending out a summons & the person gets 20 days to respond. Is there a time frame to all of this as well?

Alex Kelsh: You have to get a judgment in order to sell. We are talking about 3 to 4 weeks to appear before the judge. Now, you have to issue a sheriff's execution in order to sell at that point in time. We are talking about 30-60 days with an additional 30 days with this proposal.

Rep Kasper: Wouldn't you believe that the sale of the property is more than the 4 or 5 month's rent?

Alex Kelsh: That would be case by case.

Rep Kasper: The landlord would have to pay off all the legitimate liens before they have the net proceeds?

Alex Kelsh: That's my understanding?

Rep Richter: Is there something in this bill that they can't do that anymore? As soon as this is passed, they will stop doing that because law will force them to stop that practice?

42:00

Alex Kelsh: There is nothing in this bill that would force the landlords to stop working with their residents. The reason I made that statement is because of the added time periods added on the backend to speed the process up.

Rep Louser: Can we have a copy of a standard lease would look like. I would like to see what a renter is entering into before signing?

Alex Kelsh: We can get that.

Chairman Keiser: The problem we are trying to solve is to give the homeowner more flexibility & opportunity to maintain possession of the residence. We haven't talked about the lien holders or the mobile home owners. Does extending the time periods create a greater opportunity & have negative impact on lien holders as well as the mobile home park?

Alex Kelsh: Lien holders can step in after a sale & object. That is where the reality of the situation. Once the judgment is in place, the previous owner doesn't have that ability to go ahead & sell that property. That is where there is some protection for the lien holders.

Tom Erie~ND Manufactured Housing Association & Liechty Homes: The liens, we don't do unless we have to. It's typically on very old home & not worth anything. The liens are not a profit center. Our association members are doing a good job. What we have works well for the masses.

51:15

Rep Laning: Do you have a typical time frame that you allow a renter be behind on their rent? When do you actually start?

Tom Erie: We are liberal on it. After 30 days it's late & after 60 days you need a plan to catch up.

Rep Laning: Your process is common in your profession?

Tom Erie: I would say yes, very common.

Rep Schauer: The start of the 60-day eviction process as opposed to 30-days process of eviction, what kind of hardship would that create for you?

Tom Erie: It would have the reverse effect. We would be less apt to work with residence.

Rep Schauer: Wouldn't that be used on your end for a positive to explain what's happening to the tenant?

Tom Erie: You are changing something that is working well, it doesn't make sense. It's prolonging the inevitable.

Rep Louser: Are you leases standard leases, one year then month to month?

Tom Erie: Most are tailored to their own business model. Most don't lock into the year, it's the month to month.

Rep Louser: Month to month, right?

Tom Erie: Typically, month to month.

Chairman Keiser: Do you have the vacancy rate at the parks in our state?

Tom Erie: Guessing 7-8%. New courts lower, older higher.

Jim Farnsworth~Local Bismarck Park Owner: We really work with these people to try not to evict them. We are talking about the one to two percent. We start the process long before. I ask that we do not pass this bill.

58:45

Rep Louser: Do you charge month to month?

Jim Farnsworth: Yes.

Rep Louser: A deposit?

Jim Farnsworth: We do charge a deposit upfront. We are behind the times; we charge \$75 a month.

Rep C Johnson: The word states "may" sell, it's not forcing you to do anything. I don't understand what the issue is?

Jim Farnsworth: We work to keep them in the park. We don't want to take possession of the homes, we don't want to take possession, own, & go to court.

Rep C Johnson: The terminology & it says you may not shall, it's giving you an option.

Jim Farnsworth: We do work with these residents as much as we possibly can.

Rep D Ruby: If the tenant sells there home to someone else, what oversight do you have that's credit worthy person?

Jim Farnsworth: Typically a realtor has to notify us. We send a letter to the resident stating good luck & it goes well for you. Please be aware that we need to OK & verify the new person who is looking to take over your home. Please contact us ahead of time so we can do a background check & credit worthy.

Tim Atkinson~Citizen: My position is that things are working well. There could be problems but I'm not aware of that problem happening with my park that my dad owned. We've made an attractive community. We don't own homes or want to own homes. We work with people. There are instances where they leave but it's very rare.

1:08:30

Rep Schauer: The idea of extending the eviction process from 30 to 60 days, that's where I have the hang-up right now. Tell me what burden that causes you?

Tim Atkinson: I don't know the legal process. It's working really well now? That spirit is there. The legal takes away the spirit of working with the tenant.

Rep Laning: To your knowledge, has your trailer court ever evicted anyone?

Tim Atkinson: Can I introduce Donna Barnhardt, she knows the details.

Donna Barnhardt~Manager of Happy Meadows: One or two. We work with community action.

1:14:35

Chairman Keiser: Anyone else here to testify in opposition, neutral on HB 1528?

Julie Wagendorf~Director of Food & Lodging of the ND with the ND Department of Health: I would be happy to answer any questions you have.

Rep Laning: Can you tell me the number of complaints you get each year?

Julie Wagendorf: I don't have those numbers with me. We do track it but I would say the western ND is typically more. I would say 30 or 40 a year that's substantiated. Most common issues are water break waste water. It's usually the argument of who broke it.

Chairman Keiser: Closes the hearing. What are the wishes of the committee?

Rep Schauer: Moves a Do Pass.

Rep C Johnson: Second.

Chairman Keiser: Further discussion.

Rep Louser: I think that we have an upfront problem with the leases. I don't see how a mobile home owner is as mobile as a renter of an apartment. They are not going to move in & three months later, move out. I think there is an opportunity to shore up the leases upfront if this bill were to pass. We've heard from a lot of people that they don't have this problem. I would support the motion.

Rep Bosch: I'm not going to support the motion. When they have a problem, they need to move quickly.

Vice Chairman Lefor: I will also resist the motion. The legal process takes time & I don't think it's necessary to put the additional burdens on the landlord.

Rep D Ruby: Section 3, I can't accept. This forces them to stay in business & I'm going to resist the motion.

Roll call was taken on HB 1528 for a Do Pass with 3 yes, 9 no, 2 absent. Motion failed.

Chairman Keiser: Alternative motion?

Vice Chairman Lefor: Moves a Do Not Pass.

Rep Laning: Second.

Chairman Keiser: What concerns me is the unintended consequences of this legislation.

Rep C Johnson: I will resist this motion. The language in the bill says that they may initiate those procedures. The time frame then is irrelevant whether they may or may not.

Rep Schauer: Would the committee be open to an amendment?

Chairman Keiser: We have the bill before us with a motion & nothing was said to hold it.

Roll call was taken on HB 1528 for a Do Not Pass with 9 yes, 3 no, 2 absent with Vice Chairman Lefor will be the carrier.

Date: Jan 23, 2019Roll Call Vote #: 1

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. 1528

House _____ Industry, Business and Labor _____ Committee

☐ SubcommitteeAmendment LC# or
Description: _____

Recommendation

- ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions

- ☐ Reconsider ☐ _____

Motion Made by Rep Schauer Seconded By Rep Johnson

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser		X	Rep O'Brien		X
Vice Chairman Lefor		X	Rep Richter		X
Rep Bosch		X	Rep Ruby		X
Rep C Johnson	X		Rep Schauer	X	
Rep Kasper		X	Rep Adams		X
Rep Laning		X	Rep P Anderson	Ab	
Rep Louser	X		Rep M Nelson	Ab	

Total (Yes) 3 No 9Absent 2Floor
Assignment _____

Motion failed

Date: Jan 23, 2019Roll Call Vote #: 2

2019 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1528

House _____ Industry, Business and Labor _____ Committee

☐ SubcommitteeAmendment LC# or
Description: _____

Recommendation

- ☐ Adopt Amendment
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☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions

- ☐ Reconsider ☐ _____

Motion Made by Rep Lefor Seconded Rep Laning

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	x		Rep O'Brien	x	
Vice Chairman Lefor	x		Rep Richter	x	
Rep Bosch	x		Rep Ruby	x	
Rep C Johnson		x	Rep Schauer		x
Rep Kasper	x		Rep Adams	x	
Rep Laning	x		Rep P Anderson	Ab	
Rep Louser		x	Rep M Nelson	Ab	

Total (Yes) 9 No 3Absent 2Floor Assignment Rep Lefor

REPORT OF STANDING COMMITTEE

HB 1528: Industry, Business and Labor Committee (Rep. Keiser, Chairman)
recommends **DO NOT PASS** (9 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING).
HB 1528 was placed on the Eleventh order on the calendar.

2019 TESTIMONY

HB 1528

Attachment 1
Jan 23, 2019
Page 1

HB 1528

Mr. Chairman and Members of the House Industry, Business, and Labor Committee, thank you for the opportunity to introduce HB 1528. My name is Rep. Ben Koppelman, and I represent District 16 in West Fargo.

HB 1528 is a bill that makes changes to the decades old statutes that govern how mobile home parks are managed and how the relationship between the landlord and tenant are regulated.

Our laws on this subject were greatly based on the concept of a seasonal campground, where tenants rent a space or lot with the intent of staying for some period longer than a week. It was common during the 1950's for mobile homes (then known as trailer houses) to be similar in size as travel trailers (now known as RV's) meaning that they met the highway requirements of not being over 8 feet wide and often not more than 30 feet long. This allowed the mobile homes to be quickly and easily towed, similar to a trailer, by a pickup truck or other vehicle. During the late 1960's and early 1970's, the industry began to change, and the mobile homes quickly transitioned into 10 feet and even 12 feet wide. This made the units much less mobile due to the need to secure a moving permit due to the load being 'oversized' as well as having to hire a specialty contractor to transport the mobile home. It also increased the amount of time needed to schedule such a move. Today, many homes have their wheels and axils removed and permanent pier foundations and skirts installed. Also, today double wide mobile homes outsell single wide units, often due to park requirements.

As you can see, mobile home parks have transitioned into much more of a permanent community of homes, and often mobile homes even pay property tax similar to real estate. I believe that this is a positive thing because it fills an important need for affordable housing in our communities. Unfortunately, it also comes with its challenges as well.

A common occurrence is for there to be an initial lease signed between the mobile home owner and the park owner for a period of one to five years, and following the term of the initial lease going to a month-to-month lease there after. Since our statutes were based on a shorter term lease in a setting where travel trailers were common, they allow for very quick eviction (even without cause) and don't take into account the necessity of time for a tenant to relocate. This bill make improvements to the current law to add more due process to how a mobile home can be sold if taken by a lien, as well as allowing a more reasonable amount of time for a tenant to relocate. It also balances that with the interests of the park owner by requiring rent to be paid until the date that the premises is vacated. It also allows a period of redemption if there is a dispute based on rent due (which sometimes also includes utility expenses) by allowing 30 days to pay any court judgements, including attorneys fees, without being forced out. This is important since many of these tenants are low income, and may not have funds to relocate their home.

Many of these parks are no longer locally owned, and in some cases these parks, many of which are 30-50 years old, have not been well maintained. In my community, it is common for the water system, sewer system, roads, sidewalks, and other infrastructure to be owned by the park rather than by the city. This puts the onus on the park owner to fund all maintenance and improvements of the infrastructure, much of which is starting to fail. In many cases, the park owner is unable or unwilling to invest the money required to complete these improvements. Because the infrastructure is owned by the park, it has been the practice that each park tenant pay for their utility usage in addition to but at the same time as their rent. If the tenant has an issue with a utility bill due to a lack of service or faulty metering, they have no due process or recourse. If the tenant doesn't pay 100% of what the park owner deems is appropriate for the utility service during a given month, the park owner can immediately evict them as if they hadn't paid rent. For example, if a tenant on average has a \$40 water bill, and then one month is told they owe \$1,200 for that month, they must pay it to avoid eviction even though a reasonable person would conclude that there must be a metering problem or a break in the system. Then to compound matters, if they are evicted due to non-payment, they often will

Jan 23, 2019

HB 1528

Attachment 1
Page 3

lose their home because they can't hire a house mover to move the mobile home within 30 days, which is what the law requires, and thus the park owner can claim ownership because it is deemed abandoned.

Since the industry has greatly changed in the past half-century, I believe that it is our duty to reform our laws to create a balance between the interests of the landlord and the tenant. That is my goal with this bill. Although rare, I hope that tenants and landlords can work together to avoid situations where people become homeless over rather small matters. I look forward to working with the committee to iron out the details of this bill, if needed, and would ask for a DO-PASS recommendation from your committee.

Thank you for your consideration.



HB 1528

Mobile Home Park Residents' Protection Against Retaliation for Exercising Rights

Attachment 1
Jan 23, 2019
Page 4

Proposed Amendment to Section 23-10-07 of the North Dakota Century Code:

A mobile home park owner may not increase rent, decrease services, alter, terminate, or decline to renew an existing rental agreement, or seek to recover possession or threaten such action in whole or in part as a penalty for an occupant's:

- 1. good faith complaint to the park owner or to a government agency or official;*
- 2. good faith attempt to exercise rights or remedies pursuant to state or federal law; or*
- 3. attendance at meetings or legislative or administrative agency hearings.*

A violation of this subsection is a defense to eviction. In any proceeding in which retaliatory conduct is alleged, the burden of proving otherwise shall be on the park owner if the owner's challenged action began within 90 days after the resident engaged in any of the activities identified in clause (1), (2), or (3). If the challenged action began more than 90 days after the resident engaged in the protected activity, the party claiming retaliation must make a prima facie case. The park owner must then prove otherwise.

Background information :

- North Dakota has strong statutory provisions to ensure that mobile home parks are safe and sanitary neighborhoods.
- However, North Dakota is one of nine states in the U.S. that does not have statutory protections for residents who bring problems in a community to the attention of officials.
- Forty-one states—including all three of North Dakota's bordering states—provide basic protections against retaliation.

The above amendment is intended to accomplish two purposes:

- Enhance North Dakota's sanitation and safety provisions for mobile home parks.
- Empower residents of mobile home parks to comfortably report any problems within their community thus allowing residents to exercise their rights and communities to flourish.

Questions?

Contact All Parks Alliance for Change
Call Toll Free - (855) 361-2722
E-Mail - info@allparksallianceforchange



Proposed Amendment to Section 47-32-04 of the North Dakota Century Code:

An action of eviction cannot be brought in a district court in connection with any other action, except for rents and profits accrued or for damages arising by reason of the defendant's possession. No counterclaim can be interposed in such action, except as a set off to a demand made for damages or for rents and profits. If the court finds for the plaintiff in the action, the court shall enter judgment that the plaintiff have immediate restitution of the premises. Upon a showing by the defendant that immediate restitution of the premises would work a substantial hardship on the defendant or the defendant's family, except in cases in which the eviction judgment is based in whole or in part on a disturbance of the peace, the court may stay the special execution for a reasonable period, not to exceed five days.

In the case of an eviction of a mobile home owner from a lot in a mobile home park because of nonpayment of rent, the mobile home owner shall have the right to cure the default by paying the amount of rent owing and court costs as long as such payment is made no later than thirty days after the date of any judgment in the case. Any judgment in such a case shall specify the amount owing and the amount of court costs, and shall provide that the plaintiff will have restitution of the premises if the defendant does not pay this amount within 30 days of the date of the judgment.

Background Information:

- Residents of mobile home parks typically own their homes, but rent the land where their home sits
- Residents are not offered the opportunity to catch up on late rent prior to eviction
- Eviction from a mobile home park often means the loss of the home itself

The above amendment is intend to accomplish two purposes:

1. Allow mobile home owners in the case of eviction for nonpayment of rent, to pay the amount of rent owed and eviction court costs within thirty days after the date of the judgement.
2. Provide residents with an opportunity to preserve their tenancy and save their homes, thereby limiting the number of people who experience homelessness in ND.



HB 1528 Attachment 1
Protecting Mobile Home Residents from
Groundless Non-renewal of their Leases
Jan 23, 2019
Page 6

Proposed Amendment to 23-10-11 of the North Dakota Century Code:

The owner or manager of a mobile home park, trailer park, or campground may eject any person from the premises for nonpayment of charges or fees for accommodations, for a violation of law, for disorderly conduct, for a violation of any regulation of the department or for a violation of any reasonable rule of the mobile home park, trailer park, or campground which is publicly posted within the park or campground. Removal of a mobile home that was placed in a mobile home park pursuant to an oral or written lease, or eviction of a person who rented a mobile home in a mobile home park, shall be by eviction pursuant to Title 47, chapter 32. A mobile home park owner may terminate or refuse to renew a mobile home owner's lease for a lot in a mobile home park only for a cause specified in this Chapter or in § 23-10-11

The above amendment is intended to accomplish two purposes:

1. Clarify the difference in procedure for ejection from campgrounds versus eviction from mobile home parks

- Campground or travel trailer park rentals are short-term and renters do not enter those facilities under a lease, so applying eviction procedures for removing a person from the premises is not appropriate.
- Mobile home park residents, however, reside in their homes long-term under a lease so they cannot simply be "ejected" from the park. The eviction law procedure is the appropriate method to remove a person from a mobile home park.

2. Continue to allow eviction based on specific grounds under month-to-month lease

- Residents of mobile home parks can be evicted based on specific grounds
- Under ND law, month-to-month leases automatically renew at the end of each month—but at the end of any month the property owner is allowed to decline to renew the lease for any reason or no reason, simply by informing the tenant
- Given the costs—and sometimes the impossibility— of finding a new mobile home park to move a home to, mobile home owners should be protected against arbitrary termination of their leases in the same way that they are protected from arbitrary eviction

Questions?

Contact All Parks Alliance for Change
Call Toll Free - (855) 361-2722
E-Mail - info@allparksallianceforchange



Enforcement Transparency

Proposed Amendment to Section 35-20-17 of the North Dakota Century Code:

The notice of lien must contain the name and last-known address of the owner of the mobile home, the name and post-office address of the lien claimant, the amount of the lien and its itemization, a description of the location and type of mobile home, and a recitation of the penalty provisions of this section, including a statement that the landlord intends to sell the mobile home if the amount of the lien is not paid within sixty days and a statement of the date, time, and place of the sale, or, if the sale is not scheduled for a specific time or place, the manner in which it will be sold and how interested persons can make an offer for it. On the same day as the lienholder posts the notice, the lienholder must mail a copy of the notice to the last known address of the owner of the home and to any secured party of record by U.S. mail, first class, postage prepaid, with a certificate of mailing.

A lienholder may sell a mobile home, by a commercially reasonable manner, sixty days after the lienholder mails the notice of the lien to the owner of the mobile home and secured parties of record. After the sale, the lienholder shall send a notice stating the date, time, place, and manner of sale, the name of the buyer, the sale price, an itemization of the accrued rent, storage, and removal costs constituting the lien, and an itemization of the disposition of the proceeds to the former owner, by U.S. mail, first class, postage prepaid, with a certificate of mailing, addressed to the former owner's last known address, along with any money resulting from the sale of the mobile home in excess of the amount owed to the lienholder for accrued rents, storage, and removal relating to the mobile home. If the letter is returned as undeliverable, any money from a sale in excess of the amount owed is presumed abandoned under chapter 47-30.1.

The above amendment intends to accomplish the following:

- Require that the lien notice include an itemization of the costs owed by the homeowner and a statement that explicitly states that the landlord will sell the home if the lien is not paid
- Require that the notice not only be posted on the home, but also sent to the homeowner's last known address by first class mail
- Allow residents 60 days instead of 30 days to pay the lien and remove the home
- Require a post-sale notice be sent to the former homeowner that gives some basic information about the sale of the home and the proceeds of the sale
- Provide that excess proceeds are treated as abandoned only if the notice is returned as undeliverable

Questions?

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E-Mail - info@allparksallianceforchange





HB 1528

Attachment 1
Jan 23, 2019

Mobile Home Park Residents' Protection from Retaliation

Page 8

Proposed New Chapter to Title 47 of the North Dakota Century Code:

Retaliation prohibited

"A landlord may not initiate an action for eviction against a tenant, threaten to initiate an action for eviction against a tenant, increase a tenant's rent, threaten to increase a tenant's rent or fees, eject a tenant, threaten to eject a tenant, decrease a tenant's services, threaten to decrease a tenant's services, alter or decline to renew a lease, or threaten to alter or decline to renew a lease, in retaliation if a tenant:

- a. Makes a complaint in writing in good faith to the landlord or a public official regarding the conditions, rent, park rules and regulations, utility services, charges, or fees related to the mobile home park;*
- b. Attempts in good faith to exercise the tenant's legal rights or remedies; or*
- c. Attends meetings or public hearings related to the conditions, rent, park rules and regulations, utility services, charges, or fees related to the mobile home park."*

In the case of utility services:

"A landlord who purchases utility services on behalf of tenants shall provide each tenant a monthly itemized bill that includes:

- a. A list of charges assessed to the tenant for each individual utility service; and*
- b. The amount of rent due, separate from the charges for utility services."*

"A landlord shall engage in good faith negotiations with a tenant regarding the amount a tenant owes for utility services, if the tenant:

- a. Provides written notice to the landlord regarding the tenant's disagreement with the amount charged to the tenant for utility services, no later than the date on which the payment for the utility services is due; and*
- b. Pays the landlord an amount reasonably close to the average amount the tenant has incurred for monthly utility services during the duration of the lease agreement."*

Background information:

- North Dakota has strong statutory provisions to ensure that mobile home parks are safe and sanitary neighborhoods.
- However, North Dakota is one of nine states in the U.S. that does not have statutory protections for residents who bring problems in a community to the attention of officials.
- Forty-one states—including all three of North Dakota's bordering states—provide basic protections against retaliation.

The above amendment is intended to accomplish two purposes:

1. Ensure transparency and accuracy for resident's utility bills.
2. Empower residents of mobile home parks to comfortably report any problems within their community thus allowing residents to exercise their rights and communities to flourish.

Questions?

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**Testimony in Opposition to
HOUSE BILL NO. 1528
House Industry, Business and Labor Committee
January 23, 2019**

Chairman Keiser and members of the House Industry, Business and Labor Committee, for the record, my name is Alex Kelsch. I am an attorney with the law firm of Kelsch, Ruff, Kranda, Nagle & Ludwig in Mandan. I appear in front of you today on behalf of the North Dakota Manufactured Housing Association in opposition of HB 1528.

The North Dakota Manufactured Housing Association (NDMHA) is a state trade association representing all segments of the manufactured housing industry, including manufactured home builders, suppliers, retailers, community developers, owners and managers, insurers and financial services companies. The NDMHA works to promote fair laws and regulations, increase and improve financing options, promote a positive image of manufactured housing, provide technical analysis and counsel, promote industry professionalism and remove zoning barriers to the use of manufactured housing. Through these various programs and activities, the NDMHA seeks to promote the use of manufactured housing to consumers, developers, lenders, community operators, insurers, the media and public officials so that more Americans will be able to realize their dream of affordable home ownership.

The NDMHA opposes HB 1528 as it is an anti-business and anti-good resident bill. HB 1528 is a bill that, if enacted, would harm the good residents and reward the bad residents of these housing communities.

There are three sections to this bill. The NDMHA doesn't have any issue with the changes that are outlined in Section 1 of the bill, EXCEPT for the changes on lines 3 and 11 of Page 2. Section 1 of the bill relates to the notice requirements for establishing a mobile home lien and timing restrictions in selling a home after a lien is properly recorded. Lines 3 and 11 increase the time requirement before a sale from thirty (30) days to sixty (60) days. This delay in the sale of a home will force landlords in these communities to begin their eviction process sooner to account for the added time before a sale can occur. Landlords in these communities want their communities full of rent-paying members. As a result, landlords will work with their renters when it comes to late rent and generally won't start an eviction process until the renter has failed to pay rent for multiple months. Lines 3 and 11 on Page 2 would result in the landlord beginning an eviction process immediately upon a renter failing to make that month's rental payment, thus removing any flexibility or incentive to work with that park's members.

The NDMHA is okay with the language proposed in Section 2. Again, the landlords do not want to, and do not, evict renters who are following the rules and paying their rent. The evictions that come from these communities are generally "for cause" and this section wouldn't change anything with the way these communities operate.

The NDMHA is completely opposed to Section 3 of this bill. The first sentence beginning on line 18 is the only portion of Section 3 that the NDMHA could support, however it is not something that is necessary to codify. The courts already specify in judgments what amount of the total monetary award is for attorney fees, court costs, and unpaid rent, etc. The remaining portion of this section relates to a thirty (30) day stay of a judgment for eviction. This gives an evicted renter thirty (30) days after the eviction has taken place to come up with the funds to satisfy the judgment and continue residing in the community. The result of this delay will, again, only serve to speed up the eviction process as we would be adding an additional thirty (30) days to the time line for the landlord to see relief from a bad resident. Currently, to evict a resident, a notice of intent to evict must be served. The resident is given three days to correct the reason for the eviction, or to voluntarily leave. If that is not done, an eviction summons and complaint are served and an eviction hearing is scheduled approximately fourteen days later. If the eviction is granted, the resident is given up to three days to evacuate the premises. The current process takes about one month. Now, if we add in an additional thirty day period we are rewarding the bad resident and harming the landlord and business by preventing them from obtaining a new renter in a timely fashion. Again, generally, evictions are currently being initiated after a couple of months of non-payment of rent. Once you add in the time for the actual eviction process, the landlord may be out a rentable lot for three months. If this bill passes, you are adding at a minimum, thirty additional days for a non-paying, evicted resident, to hold over and continue to be problematic.

As I said before, HB 1528 will only serve to harm the good residents of these communities because landlords will need to speed up the eviction process and forego working with residents on a monthly basis if they are unable to pay rent. The only people that will benefit from this bill are the bad residents.

Accordingly, on behalf of the NDMHA, I would urge a **DO NOT PASS** recommendation for **HB 1528**. I would be happy to answer any questions.