

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1242

2001 HOUSE TRANSPORTATION

HB 1242

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1242

House Transportation Committee

☐ Conference Committee

Hearing Date January 25, 2001

Tape Number	Side A	Side B	Meter #
1	x		2,843
Committee Clerk Signature <i>Lauren L. Fink</i>			

Minutes: Rep. Weisz - Chairman opened the hearing on HB 1242; A BILL for an Act to create and enact a new section to chapter 23-10 of the North Dakota Century code, relating to mobile home security deposits.

Rep. Maragos appeared as sponsor in support of HB 1242. As a comment on this series of bill; when these events took place in Minot this past summer with regard to our mobile home park and -- it became apparent to these mobile home residents, that they did not know where to turn for assistance. We came to the realization, there were not many laws that pertain to the aspects of their situation. We checked around to see with other states, to see what they did and understanding that one shoe does not fit all -- these bills are introduced as a starting point, so you can see that as you weed out the ones that are not appropriate --- or were sort of misdirected --- so having said that I will just allow the process to continue. We wanted this committee know that we had checked with the other states to see what they had in legislation. We used those to pattern

--- to model our proposals to affect some legislation. So you now know the genesis of the process of bringing these bills forward.

Rep. Mahoney: (3005) This looks like a good idea. It seems like there is mandatory interest.

There doesn't seem to be any reason the lease payments should be increased anytime the tenants is there. Is this what you are after?

Rep. Maragos: Yes anything I would say is likely to be redundant with what the people have to say.

Rep. Dosch: I am representative of district 32 which encompasses south Bismarek. There are 7 mobile home courts in my district. I appear in support of these bills today. When we look at these parks we find that many of the tenants have been there 5, 10, 15 or more years. For someone to come in after the tenants have been living there for that length of time --- and to all of a sudden request an increase in the security deposit --- we don't feel that is realistic or fair -- so we urge you to support this bill.

Rep. Thoreson: What does the security deposit cover -- what kinds of damages?

Rep. Dosch: I believe to cover any kind of damages which might remain once a tenant has moved out of a park.

Rep. Schmidt: What is the amount of these deposits, typically?

Rep. Dosch: I would like to redirect that question, but I understand that security deposit cannot exceed one months rent-- I know that is the case for apartment dwellers. I am not certain that is the case for mobile home dwellers.

Kent French: (3356) I am appearing in support of this bill.

Rep. Thoreson: (3397) Could you answer my question, what a security deposit covers?

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House Transportation Committee

Bill/Resolution Number HB 1242

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Kent French: It is kind of an all encompassing thing. You have a person who resides in your park and it doesn't do anything until they leave. When they leave we have a situation where you have a lot to clean up, the individual who moves may not move everything out. Actually, we support this bill because we can't charge enough to cover the problems we can have. For on months rent of \$220; I can have \$600 up to a \$1000 worth of problems. To me this really doesn't make a difference.

Bill Delmore: (3560) Again, I am with the Kelsch Law firm representing the Manufactured Housing Association. Before the bill was even introduced I was giving a seminar talking about this issue. Most of them went back to law and felt that it was unclear. Most of them live with what they have in the lease. But they can renegotiate a new lease and rewrite the lease. As Rep. Doseh said there is no need to go back after a person has lived there for ten years to raise the deposit. It just not good business. So for that reason the Association is supporting this bill to clarify something that is unclear.

Rep. Mahoney: (3663) It seems like a good idea, shouldn't this bill apply to apartment rentals too ?

Bill Delmore: Our Association has talked about this at length and we think it is a good thing.

Rep. Weisz - Chairman (3707) Say a person has a low initial deposit then later he wants to bring in a dog -- would this bill discourage an owner from raising the deposit to cover the damage the dog may do?

Bill Delmore: Good, question. It certainly could be the case that people have an initial deposit and some new coming in will have a different deposit but if there is significant change the owner

should protect himself by providing in the lease a chance to change the deposit to cover the situation.

Rep. Thoreson: (3820) So everybody could have a different security deposit in the same mobile Park?

Bill Delmore: That is quite possible.

Rep. Mahoney: If I have a deposit of say \$250 and the mandatory interest causes it to grow to a \$1000, can that entire amount go to mitigate damages?

Bill Delmore: My reading of the law is that the amount of the security deposit is the dollar amount of that was deposited.

Jim Odegard: I am from Minot and I am representing myself. I support HB 1242. My experience last year was, the mobile park is was living in was sold to a Montana man. They wrote us a letter prior to the sale telling us that everything was going to stay the same. No changes. Our security despot had been \$95 and our monthly rent was \$135. Two days later we received a letter from the same people telling us our rent was being increased by \$140 per month to \$275 and our security deposit was being increased by \$180 bringing that up to \$275. The security deposits can not be used for the operation of the park. They are to be held until the last day that tenant is in the park. After the tenant leaves the lot the lot is checked. Any necessary cleanup is done. The time it takes to cleanup a lot is withheld and the balance plus the interest is refunded. The story we are told about the rising costs of cleaning up a lot is, in my opinion is false. As a former park manager, I know from experience that if a lot a total wreck, one good man can clean it up in two hours. I am talking about clean up--- I am not talking about damages to water pipes, etc. Which very seldom

happens. I would think the \$95 would be more than sufficient to pay a man for two hours of work. I am furnishing copies of that letter. A copy of the letter is attached.

Rep. Delmore: I am a sponsor on the bill and I appear in support. I just wanted to come to this committee to offer my support. I urge a 'Do Pass' on this bill.

Rocky Gordon: (4330) Again - - I am not appearing in opposition the bill, rather Rep. Mahoney had a question or comment about should this work for apartments as well. If I may I would like to address that. -- One of the reasons it doesn't is that a couple of sessions ago, we passed a law that says -- if a tenant got a pet we could raise the security deposit actually in excess of one months rent. That stipulation is there now and I would hate to see us legislate that away.

Rep. Weisz - Chairman : Is it your interpretation that if we pass this, it would eliminate that?

Rep. Mahoney: These two statutes could co-exist. You don't typically raise lease on people do you?

Rocky Gordon: No we don't.

Rep. Ruby: (4574) If a customer owns a trailer in one of the parks you manage, is that a separate from what the mobile home park lease would be? Do you have yet another tenants lease for the rent of that trailer house? Do you have the right to raise the rent on that trailer you manage?

Rocky Gordon: We are talking about rent on a single mobile home.

No others appeared in support. No one appeared to oppose HB 1242. Chairman Weisz closed the hear for testimony on HB 1242. (4720).

Note: Several persons who did not testify in person but were present furnished the committee written statements. Copies if these are attached.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1242 b

House Transportation Committee

☐ Conference Committee

Hearing Date January 25, 2001

Tape Number	Side A	Side B	Meter #
2	x		1,464
Committee Clerk Signature <i>Laverne L. Kirk</i>			

Minutes: In working session, Rep. Weisz - Chairman opened the discussion on HB 1242.

Rep. Jensen: Moved a 'Do Pass' for HB 1242.

Rep. Thorpe: I second the motion.

On a roll call vote the motion carried. 12 yeas 1 nay 1 absent

Rep. Jensen was assigned to carry HB 1242 on the floor.

Date: January 25, 2001
Roll Call Vote #:

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1242

House Transportation Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Jensen Seconded By Rep. Thorpe

Representatives	Yes	No	Representatives	Yes	No
Robin Weisz - Chairman		✓	Howard Grumbo	✓	
Chet Pollert - Vice Chairman	✓		John Mahoney	A	
Al Carlson	✓		Arlo E. Schmidt	✓	
Mark A. Dosch	✓		Elwood Thorpe	✓	
Kathy Hawken	✓				
Roxanne Jensen	✓				
RaeAnn G. Kelsch	✓				
Clara Sue Price	✓				
Dan Ruby	✓				
Laurel Thoreson	✓				

Total (Yes) 12 No 1

Absent 1

Floor Assignment Rep. Jensen

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1242: Transportation Committee (Rep. Weisz, Chairman) recommends **DO PASS**
(12 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1242 was placed on the
Eleventh order on the calendar.

R. Weisz

2001 SENATE TRANSPORTATION

HB 1242

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1242

Senate Transportation Committee

☐ Conference Committee

Hearing Date 3-15;3-16

Tape Number	Side A	Side B	Meter #
1	x		49.8- End
1		x	0.0-6.7
2	x		18.6-24.4
3-16 1		x	17.9-20.1
Committee Clerk Signature <i>Suzette Schaffer</i>			

Minutes: **HB 1242** relates to mobile home security deposits.

Rep. Mark Dosch: (District 32; Supports) This is a good business bill. Situation in Minot prompted this bill. Basically, if you have a good renter in a mobile home park for 10-15 years, your landlord won't say that you need an extra security deposit. Many of these people are living on fixed incomes. Mobile home folks have no problem with this bill.

Rep. Andy Maragos: (District 3; Supports) We did have a problem in Minot. This bill would level the playing field. It's a good bill

Senator O'Connell: If you put a deposit down 15 years ago, who gets the interest?

Rep. Maragos: I believe the interest goes to the people who made the deposit.

Senator Trenbeath: Is this bill intended to by law modify an existing lease that allows this sort of thing that we see here? It'd be helpful to see a copy of a lease.

Page 2
Senate Transportation Committee
Bill/Resolution Number HB 1242
Hearing Date 3-15;3-16

Rep. Maragos: My understanding is that most mobile home leases are month to month. It's a very unusual situation. A person who rents in a mobile home park is so exposed. I think this is bringing into uniformity with the renter's code also.

Milton Bowen: (Owner/Operator of Milt's Mobile Home Service in Minot; Supports) See attached testimony.

Senator O'Connell: Does the Health Department still enforce the laws in mobile home parks? Yes, they have gotten kind of lax on it though.

Susan Ternes: (resident of Jefferson Mobile Home Community in Minot; President of the Minot Mobile Home Tenant Association; Supports) See attached testimony.

Hearing closed.

Committee reopened on 3-15-01.

Senator Bercier motions to Do Not Pass. Seconded by Senator Mutch. Roll call taken. 4-2-0.

Floor carrier is Senator Mutch.

Committee closed.

Committee reopened on HB 1242 on 3-16-01.

Senator Trenbeath moves to Reconsider. Seconded by Senator Espegard. Voice vote shows all in favor. Senator Trenbeath motions to Do Pass. Seconded by Senator Mutch. Roll call taken. 5-0-1.

Floor carrier is Senator O'Connell.

Committee closed.

315

1242

☐ Subcommittee on _____
or
☐ Conference Committee

Action Taken Do Not Pass

much
~~Don't want to~~

[illegible]

If the vote is on an amendment, briefly indicate intent:

3-140
1

1242

Subcommittee on

☐ Conference Committee

Action Taken

more to Reconsider
Trenberth Seconded By Espigard

13y

No

indicate intent:

Absent

If the vote is on an amendment, briefly indicate intent:

3-110
2

1242

Committee

or

[illegible]

De Pass

Trimbeth Seconded
By

much

[illegible]

Total (Yes) 5 No 0

Absent 1

Floor Assignment B'Connell

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 16, 2001 12:29 p.m.

Module No: SR-46-5828
Carrier: O'Connell
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1242: Transportation Committee (Sen. Stenejem, Chairman) recommends DO PASS
(5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1242 was placed on the
Fourteenth order on the calendar.

2001 TESTIMONY

HB 1242

Minot, N. D.

January 22, 2001

Fifty-Seventh Legislative Assembly
of North Dakota

RE: House Bill # 1242

As a mobile home owner in Western Village in Minot, N. D., a widow with limited income, I feel it is very unfair to raise security deposits for homes that have been located in that park for several years. The stability of the home owner has already been established. If an owner wants to raise the deposit it should be on new homes as they move in. Most often security deposits are not returned upon leaving a park. Of what value is it to the owner when they cannot use it as income.

Deloris J. Walwood
1852-16th ST SW #37
MINOT, N. D. 58701

**Testimony on House Bills 1240, 1241, 1242, & 1243
Presented by Kenan Bullinger, Director
Food and Lodging Division
ND Department of Health
House Transportation Committee
January 25, 2001**

Mr. Chairman and members of the committee, my name is Kenan Bullinger. I am the Director of the Food and Lodging Division with the North Dakota Department of Health. Our agency has responsibility for the enforcement of the laws and regulations as set forth in NDCC 23-10 and NDAC 33-33-01 and 33-33-02, which deal with mobile home parks, trailer parks and campgrounds. I appear before you today not to take a stand for or against this proposed legislation but to offer some possible amendments to place these requirements in some other chapters of the century code where these provisions are already addressed and could possibly be better served.

Chapter 23-10 of the Century Code was established many years ago to provide various health and safety assurances for the tenants, occupants, and guests of these licensed facilities. Current requirements include licensing and inspection for such provisions as safe drinking water sources, plumbing and electrical connections meeting code, adequate storage and collection of garbage, proper lighting, fire protection, procedures for weather emergencies, proper lot spacing, and basic sanitation and maintenance of the parks. House Bills 1240, 1241, 1242, and 1243 mainly deal with issues relating to eviction notices, changes in zoning, security deposits, and rights to assemble. Again, I am not here to argue the importance of these provisions but simply propose that these be placed in other currently existing sections of the century code dealing with landlord/tenant issues. Chapter 33-06 of the North Dakota Century Code deals with eviction notices and could be amended to include provisions for tenants of mobile home parks. Section 47-16-07.1 of the North Dakota Century Code deals with security deposits and could also be amended to include language for dealing with mobile home parks. Lastly, I believe North Dakota's Constitution deals with the rights to assemble.

I believe the major emphasis as outlined in Chapter 23-10 should be to address health and safety issues in mobile home parks and campgrounds. Our staff is not trained or adequate in number to handle enforcement of the provisions mentioned in these four bills before you. I believe these may be better served in current statutes through local jurisdiction. Our department has not been asked to prepare a fiscal note for these four bills but if they would be placed in Chapter 23-10 for our monitoring, response, and enforcement, this could have some significant impact on our current resources. It is difficult for us to project the impact because our department is not currently involved with these types of landlord/tenant issues and how much time it would demand from our current inspection staff.

I would be happy to answer any questions the committee may have.

House Bill # 1242

Chairman and members of the committee, my name is Jim Odegard, from Minot ND.

I'm in favor of House Bill # 1242 because of my personal experience I had with my security deposit.

In July of last year, 2000, the mobile home park I was living in was sold to a Montana man, Gary Oakland. At the time of the sale they wrote us a letter stating everything was going to stay the same as it had been prior to the sale. Our security deposit was \$95.00 and our monthly rent was \$135.00.

Two days later we received another letter from the same people, This one stated that our rent would be increased by \$140.00 a month to \$275.00 and our security deposit by \$180.00 also bringing it to \$275.00.

I refused to pay the increase in security deposit because I read the lease and I could find no provisions for them to do so. I also couldn't understand what the need for the extra money would be. Security deposit can not be used for operating the park. They are to be held as security that you leave the lot in the same condition as it was in when you rented it.

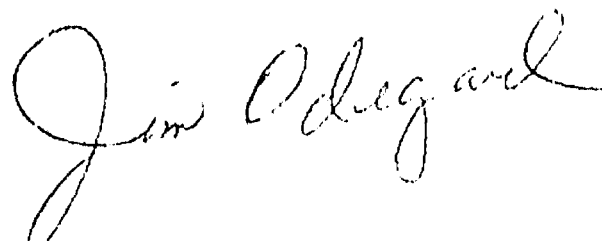
After a tenant vacates a lot, the lot is checked and any necessary clean up is done, the time it takes to clean the lot is withheld and the balance plus the interest is refunded to the tenant.

The story we are being told about the rising cost of cleaning up a lot is false in my opinion. As a former park manager I know from experience that if a lot is left a total wreck, one good man can clean it up in two hours or less. I would think the \$95.00 would be sufficient to cover this.

If there isn't a law passed to prevent owners from raising the deposits over the original agreement, what is going to stop them from raising it every time they raise the rent?

Again, I urge you to pass this bill to prevent these people from doing this to others. Thank you for your time.

Attached is the letter notifying us of the increases.

A handwritten signature in cursive script that reads "Jim Odegard". The signature is written in dark ink and is located at the bottom right of the page, below the typed text.

**Oakland Communities of Minot, L.L.C.
Parkview Mobile Home Park**

1300 11th Ave. SE, # 12
Minot, ND 58701
(701) 839-5114 or (701) 838-5081

July 27, 2000

Holly & Jim Odegard
625 15th Street SE, # 141
Minot, ND 58701

Dear Holly & Jim:

This letter is to serve as 30-day notification of our intent to change the terms of the Lease.

Please be advised that effective September 1, 2000, the monthly lot rent for the premises you now occupy shall be increased to two hundred seventy five (\$275.00) dollars per month. This is a change from your present rate of one hundred thirty five (\$135.00) dollars and reflects the current rate for your lot size as well as an increase in operating expenses and cost of living.

In addition, we are requiring all Tenants to comply with current rental deposit requirements, which is equivalent to one months rent. You will need to submit the difference between two hundred seventy five (\$275.00) dollars and your current deposit amount along with September's rent.

Any unpaid balances as of the 5th of the month will be assessed late fees per the Lease Agreement.

All other terms of your tenancy shall remain the same. Feel free to give Sharon Goetz a call if you have any questions.

Sincerely,

Teresa Mickey

Teresa Mickey
Regional Manager

Bill #1242

Chairmen and Members of the Committee,

My name is Holly Odegard and I am from Minot. I would like to share with you my personal experience on this bill. The mobile home park in which I lived is one of the oldest parks in Minot. When we moved there over 5 years ago, my husband had to clean up the garbage, fill in holes and plant grass. Last July a Montana based company purchased the park. We received notification of the sale and also that everything would remain the same. Two days later we received the following letter, copies of which I passed out to you. The deposit on our lot went from \$95. To \$275. This was not a matter of 5. or 10. dollar as they made it sound. It is my understanding that deposits cannot be used as operating capital. I also read my rental agreement and found no provisions for them to do this. I feel if this bill is not passed to prevent owners from raising deposits once they have been set, what will stop them from doing so every time they raise the rent.

So in closing I ask that you pass this bill 1242 and stop this from happening to others. Thank you

Holly Odegard

Written Testimony of:

Susan D. Ternes
100 11th Ave SE - #1
Minot ND 58701
(701) 837-7944

January 25, 2001

RE: HOUSE BILL # 1242 Mobile home security deposit.

At the end of July, or thereabouts, Oakland Communities, out of Montana, sent letters out to all of their tenants. This demand was made of every tenant, including those on housing assistance.

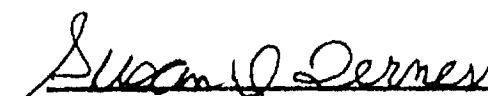
Legal Assistance and the Minot Housing Authority stepped in, after being contacted by tenants, and reminded Mr. Oakland that the residents on housing assistance have contracts that cannot be altered during the leased period.

Mr. Oakland mailed apologetic letters out to the tenants on assistance, backing down, stating the letters had been sent by mistake.

This left the remaining tenants feeling quite upset. Many of us have been here 10 to 25+ years. Suddenly, we are being treated as if we have become flight-risks almost overnight. When, in fact, we've been on our lots a long time, maintaining and improving property that doesn't even belong to us, simply because we take pride in our homes and our surroundings.

No improvements have been made to the property that I pay rent on, even though I have been requesting fill dirt to put into a pre-existing garden plot, every year, for going on eight years. Nor, have any improvements been made to the commons areas (playgrounds) in my community, other than a shipment of gravel a couple of years back.

It is for these reasons, among others, that we have asked for House Bill No. 1242.



Susan D. Ternes

House Bill No. 1242

In 1975 I moved into Western Village, At the time rent was 65.00 dollars a month. This was the amount of deposit I was asked to pay at the time. Since then over the years, rent was increased many times usally 5.00 dollars at a time but I was never asked to increase my deposit until this last summer when this company from Billings came in , bought the court and immediately jumped the rent by 20.00 dollars and said the deposit must increase from 65.00 to 175.00. When I asked the court manager where my money was depositeed at, the answer I got was I have no idea. When I asked how much interest my money had earned in the past 25 years, the same answer, no idea when I asked if accumulated interest would be figured in when asking for this increase I was told no. My understanding is that this deposit money is supposed to be deposited in a Federally insured account, yet we have no information whatsoever if this money is even in a bank. There definitely has to be some changes made in the way we are treated by these "for profit only out of state buyers" so I definitely think this house bill No. 1242 is the start of something better for us Thank You.
Alvin Fiskum Western Village Minot

My name is Milton Bowen I own and operate Milt's Mobile Home Service in Minot,

I am here today to try and give you some understanding of what House Bill # 1242 is about.

It is my understanding that apartment owners, and other landlords are concerned about this bill. It is not are intention to interfere with any normal landlord tenant lease agreements, nor should this bill have any effect on them. Let me try to explain why! We are only talking about Mobile home parks and or communities, which are what some of the parks are now called. We are talking about a situation that is unique from any normal landlord tenant agreement, Here we have a situation where the landlord owns the land, and the tenant owns the home which sits on this property. This definitely makes it different from the landlord tenant agreements, where as the land lord owns both the land and the building on that land.

The reason we ar asking for this bill to be passed is we had a situation arise in Minot this past summer, where an out of state company came in and bought three parks, totaling over 400 lots. Within the first week of their purchase they notified every one that because of "an increase in operating expenses and cost of living" the rent was going up in thirty days. The rent had already been raised last year by the previous owner. Along with this rent increase they asked for an increase in the security deposits, from each tenant, to be the same amount as the new lot rent.

I am going to use Parkview Mobile Home Park, as an example to try and give you an idea of what happened. Parkview is an older mobile home park, built in the 1950's. It was originally built for the old 10 foot wide trailers, as the homes have grown in size the lots have gotten to small over the years. So as time went by they have as the old 10 and 12 wides have moved out they have been vacating everyother lot, or as many lots as has been feasible to get larger units, such as 14, 16, footers and double wides into the park. the new managers or who ever apparently took a look at these lots and in their brilliant minds apparently said wow that home is setting on 1 and a half lots or that home is located on 2 lots, or for what ever reason they made their decisions. What I am getting at is all of the rents in Parkview were 135 dollars per month. They increased these lots from 135, dolla:s to as high as 275 dollars and all kinds of rates in between these figures. Along with this they asked for an increase in deposits to equal the rent that would be charged for one month. To some of the mobile home owners that had been there for as many 30 years, and had originally paid 25 or 30 dollars deposit, and now retired and living on a fixed income, found all of a sudden they had to come up with extra rent and deposit, with in 30 days. Some of the increased deposits that were demanded came to over 200 dollars extra depending on the size of the lot. Let me tell you this put a tremendous burden on some of these people who were calling me saying Milt what can we do? If we pay this we can't get our medicine or other things we need. Increases in the rent and deposits are legal and at this point nothing can be done about it. This is why we are asking you to pass House Bill 1242. I do not think the tenants of the mobile home parks are going to run off very fast. Let me

interject here also, so there is no confusion, this bill would effect only the mobile homes owned by the individual, and not homes that are setting there and being leased out as normal rental properties.

However I believe this is where the difference comes in as far as the normal landlord tenant relationship is involved. The mobile home owner is there with their own home, and unlike the renter of an apartment or something can not just up and move out in a couple of hours during the night, Moreover most of these people try to have pride in their homes and tend to improve the property upon which their home sets.

I would urge you to pass this bill as it would hurt no one, except possibly some unscrupulous park manager, and or owner. It would most certainly save a lot of heartache if something like this was going to happen again, and I would assume it most certainly will.

Thank-you for your time and consideration

Written Testimony of:

Susan D. Ternes
3100 11th Ave SE - # 1
Minot ND 58701
(701) 837-7944

March 15, 2001

RE: House Bill # 1242 - Mobile home security deposit.

In 1989, I paid a security deposit of \$95, for a lot in Parkview Mobile Home Park (property of J.P.W. Ventures). When I, later, bought a home in the Jefferson Community (J.P.W. Ventures), in December of 1990, my deposit was transferred over, without any increase.

I have lived in the Jefferson Community for just over ten years and I believe that I have proven myself to be a reliable, long-term resident. During my time as a property renter, I have invested my personal time and money to care for land that I don't own: spreading grass seed and fertilizer, trimming trees and bushes, etc. I have been making the same types of investment as any other landowner would, in order to maintain and improve the property my home sits on.

In July of 2000, my community, along with two others in Minot, was sold to Oakland Communities, out of Billings, Montana. As one would expect, letters were mailed to the residents of the three communities announcing the change in ownership and briefly introducing the new owner. This letter stated, in part, "...we anticipate no changes in rules or procedures at this time."

Within a couple of days of receipt of the first letter, a second letter was received by residents. Ironically, this letter carried the same date as the first letter. The new letter was now requiring all tenants to increase their security deposits, along with making an increase in lot rents. These letters were sent to every resident and would, also, impact those families receiving housing assistance.

After several residents contacted Legal Assistance of North Dakota, as well as the Minot Housing Authority, to complain about the security deposit increase and ask for help, Legal Assistance and the Minot Housing Authority stepped in and reminded Oakland Communities that residents on housing assistance had binding contracts that could not be altered until the contracts came up for renegotiation. Oakland Communities did send this group of residents a letter, letting them know that the increase in deposits, rents, and lot rents would not apply to them.

Seemingly overnight, the remaining residents went from desirable, long-term tenants, to sudden flight-risks with a propensity toward causing property damage. Without knowing the precise numbers, several residents living in these communities have invested ten to twenty-five years of their own time and money into property that will never belong to them.

An increase in property rent is something we expect to have to incur from time to time; however, requiring an increase in a security deposit is virtually unheard of.

We're all aware of the fact that park owner's expenses have gone up over the years; hence, the increases routinely made in rent. However, if a problem associated with land clean up becomes so profound that land owners are having to pay increased, out-of-pocket expenses to clean up and make repairs to the property, they have the option of accessing our court system, in order to assist them in recouping their loss.

In part, it is the responsibility of park managers to ensure that property damage does not occur. In fact, my rental lease contains the following clause:

The resident must give the management written notice of at least forty-eight (48) hours before moving the mobile home within the park. The management has the right to supervise the installation or removal of the resident's home. The management may give the resident reasonable instructions concerning installation or removal in order to protect the property of the park or of other residents, and the resident must comply with these instructions.

I believe that mobile home residents, who regularly maintain and improve the physical land their home sits on, should be afforded some protection that extends beyond the standard landlord/tenant laws currently on record in North Dakota. It's absurd to believe that mobile home owners can easily become flight-risks when you consider that we have large structures to move, rather than a truckload of possessions. It is also difficult to inflict property damage, if the managers are carrying out the terms of the rental contracts.

If managers are, indeed, protecting the property of the landowner, wouldn't it seem reasonable to expect them to inspect property, with the proper notice, if they have reason to believe damage is occurring?

North Dakota would not be the first state to enact a law similar to House Bill #1242. Arizona already has a similar law on record under Chapter 11, Article 2, Section 33-1431(G):

The amount of any security deposit shall not be changed after the tenant executes the initial rental agreement.

On January 24th, I met with Mr. William Delmore, who is an attorney for the North Dakota Manufactured Housing Association, and Mr. Kent French, who is the Association's past president, to discuss this bill, along with three other mobile home related bills introduced during this session. Initially, members of the North Dakota Manufactured Housing Association were in opposition of all four bills; however, after much discussion, we were able to work out a compromise that would be agreeable to

Page Three
March 15, 2001

both the members of the North Dakota Manufactured Housing Association and the members of the Minot Mobile Home Tenants' Association.

While the North Dakota Century Codes have always given landlords the legal right to increase security deposits, the raising of security deposits has never been a common practice exercised by landlords.

Thank you for your time and consideration of my testimony.

Sincerely,



Susan D. Ternes

Attachments: 2

Oakland Communities of Minot, L.L.C.
Jefferson Mobile Home Park

3100 11th Avenue SE, #12
Minot, ND 58701
(701) 838-5081

July 27, 2000

COPY

Susan Ternes
3100 11th Ave. SE, # 1
Minot, ND 58701

Dear Susan:

Jefferson Mobile Home Park has been sold, effective immediately, to Oakland Communities of Minot, L.L.C. owned by Mr. Gary Oakland.

Mr. Oakland is the owner of numerous Mobile Home Parks and has been active in the industry for over twenty years. We are happy to have Minot as our first North Dakota Location.

Don and Sharon Goetz will remain as park managers and we anticipate no changes in rules or procedures at this time.

Please be advised that all Rental Agreements and deposits have been transferred to Oakland Communities of Minot, L.L.C. from J.P.W. Ventures, Inc.

J.P.W. Ventures and Oakland Communities of Minot would like to thank you for your patronage and support. Please feel free to give Don and Sharon a call with any questions or concerns.

Sincerely,

Teresa Mickey

Teresa Mickey
Regional Manager

COPY

Oakland Communities of Minot, L.L.C.
Jefferson Mobile Home Park

3100 11th Avenue SE, #12
Minot, ND 58701
(701) 838-5081

July 27, 2000

COPY

Susan Ternes
3100 11th Ave. SE, # 1
Minot, ND 58701

Dear Susan:

This letter is to serve as 30-day notification of our intent to change the terms of the Lease.

Please be advised that effective September 1, 2000, the monthly rent for the premises you now occupy shall be increased to one hundred sixty (\$160.00) dollars. This is a change from your present rate of one hundred forty five (\$145.00) dollars and reflects an increase in operating expenses and cost of living.

In addition, we are requiring all Tenants to comply with current rental deposit requirements, which is equivalent to one months rent. You will need to submit the difference between one hundred sixty (\$160.00) dollars and your current deposit amount along with September's rent.

Any unpaid balances as of the 5th of the month will be accessed late fees per the Lease Agreement.

All other terms of your tenancy shall remain the same. Feel free to give Sharon a call if you have any questions.

Sincerely,

Teresa Mickey

Teresa Mickey
Regional Manager

COPY

Fifty-Seventh Legislative Assembly
of North Dakota

I am writing in reference to
House bill Number 1242. I would
have liked to attend the hearing,
but can't, so I am writing to you.
I appreciate all you are doing to
get these bills passed.

Bill # 1242 concerning
deposits should not allow
owners or new owners to raise
security deposits without drawing
up a new lease. Some of us
have lived in the Mobile Home
Court for many years and
realize we can expect rent to
go up occasionally. A security
deposit does not financially
benefit the owner. It
should eventually be returned
upon moving out or selling
to a buyer.

I am a widow with

7

limited income and when Mr. Oakland informed us of these increases, it came as quite a shock. I felt it was unfair without concern for long time residents.

I don't want to cause problems for owners or managers. I would rather work together for the good of all.

Thank You So Very Much!

Sincerely

Deborah J. Walcott
Western Village Tract

37

Munot, N. D. 58701



Fifty Seventh
Legislative Assembly
of North Dakota

Letter of Appreciation from
a tenant:

We appreciate your work on
house Bill # 1242 very much.
It is a good feeling to know
we have good people down in
Bismack working on our
Behalve. Also the other Bills
you have passed on our Behalve.
I have lived in this Park for
11 yrs. now and was really
suprised when security deposits
got ruised. I thought they were
for if a tenant moves out &
don't pay that months rent it
was a security deposit was for.
We have never been late with
our monthly rent, altho I think

Our tree cut (Western Village)
is the highest or close too it.
Again thanks again for the
support.

Sincerely
Margaret Opp
Clad Lyght

1852 16th St S.W. #40
Minot, N. Dak. 58701
(Western Village)

Roger Dietrich/Emily Atherton
625 15th St SE #149
Minot ND 58701
rogerd@minot.com

Dear House of Representatives

Thank you for the opportunity to send this testimony in

We feel that a manufactured home and an apartment dweller are vary different.

We as manufactured home owners have a big interest in the property we choose to park our home on because we do own the home we only rent the property to park the home. There is a lot of factors that are involved. These are some of the factors that we look at.

- 1) How much lot rent we pay for the size of lot we get.
- 2) How much the security deposit is.

We feel that if a park is owned and then is sold we have already negotiated the cost of the security deposit at the time of the lease so that should not change. We also feel that if the new park owner states the security deposit is going to be increased that this is wrong because a lot of the tenants have lived in the same lot for many years and have done no damage to the property. In fact a lot of them have done improvements to the property. Fact is that in the three parks that the owner asked to have the tenants send in the more lot security deposit to match lot rent, hte new owner did nothing as to improve the park.

We feel that this law would be important to the manufactures of homes and to the tenants as well.

Sincerely,
Roger Dietrich/Emily Atherton