

Sixty-ninth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2385

Introduced by

Senators Paulson, Dever, Lee

Representatives Karls, Louser

1 A BILL for an Act to create and enact a new chapter to title 23 and two new sections to chapter
2 23-10 of the North Dakota Century Code, relating to receivers for mobile home parks, annual
3 ownership information for mobile home parks, and mobile home park tenant relations; to amend
4 and reenact sections 23-10-03, 23-10-04, 23-10-06, 23-10-06.2, 23-10-12, and 47-10-28 of the
5 North Dakota Century Code, relating to licensure and regulation of mobile home parks; to
6 provide a penalty; and to provide an expiration date.

7 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

8 **SECTION 1.** A new chapter to title 23 of the North Dakota Century Code is created and
9 enacted as follows:

10 **Definitions**

11 For purpose of this chapter:

- 12 1. "Commissioner" means the commissioner of the department.
13 2. "Department" means the department of health and human services.

14 **Conditions for appointment of receiver.**

- 15 1. When the department revokes the license of a mobile home park, the department may
16 file a petition with the district court to place the mobile home park under the control of
17 a receiver for repeated or serious violations of chapter 23-10 or the administrative
18 rules of the department, or to protect health or safety.
19 2. The court may grant the petition after finding:
20 a. The mobile home park committed, or is continuing to commit repeated or serious
21 violations of chapter 23-10 or the administrative rules of the department; or
22 b. Health or safety would be seriously threatened if a condition existing at the time
23 the petition was filed continues.

1 **Appointment of receiver.**

2 If the court grants the petition to place the mobile home park into receivership, the court
3 shall appoint the commissioner as receiver. The commissioner may designate a qualified
4 individual or a nonprofit organization to execute the receivership. An individual designated to
5 execute the receivership may not be employed by this state or a political subdivision. The
6 receiver shall use the income and assets of the mobile home park to maintain and operate the
7 mobile home park and to attempt to correct the violations of chapter 23-10, the administrative
8 rules of the department, or other condition which constitutes a threat to health or safety. The
9 receiver may not liquidate the assets of the mobile home park.

10 **Termination of receivership.**

11 The receivership terminates when:

- 12 1. The receiver and the court certify the conditions that prompted the receivership are
13 corrected;
14 2. The license to operate the mobile home park is restored;
15 3. A new license to operate a mobile home park is issued; or
16 4. The owner of the mobile home park discontinues operation and the residents of the
17 mobile home park have secured other appropriate housing.

18 **Accounting.**

19 Upon termination of the receivership, the receiver shall render a complete accounting to the
20 court and shall dispose of surplus funds as the court directs.

21 **SECTION 2.** A new section to chapter 23-10 of the North Dakota Century Code is created
22 and enacted as follows:

23 **License - Information required - Penalty.**

- 24 1. A new owner applying for a mobile home park license under section 23-10-03 and a
25 person applying for a renewal mobile home park license under section 23-10-06.1,
26 shall provide to the department once per calendar year the name, address, and
27 telephone number for the mobile home park managers and any individual possessing
28 more than a twenty percent ownership interest in the entity subject to the license.
29 2. The department may assess a civil penalty not exceeding five thousand dollars for
30 each violation of this section thirty days after issuing a notice of noncompliance. The
31 civil penalty may be assessed without notice and a hearing. The civil penalty must be

1 awarded to the department and deposited into the department's general operating
2 fund for use in regulating compliance with this chapter. A person subject to a civil
3 penalty pursuant to an order issued under this section may request a hearing before
4 the department if a written request is made within ten days after the receipt of the
5 order. Upon receipt of a proper and timely request for a hearing, the department shall
6 conduct an adjudicative proceeding under this section in accordance with chapter
7 28-32, unless otherwise provided for by law. If the department prevails in an
8 adjudicative proceeding under this section, the department may assess the
9 nonprevailing party for all adjudicative proceeding and hearing costs, including
10 reasonable attorney's fees, investigation fees, and costs and expenses of the action.

11 **SECTION 3. AMENDMENT.** Section 23-10-03 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **23-10-03. License required - Application.**

- 14 1. A person may not establish, maintain, change use, mix use, or enlarge a mobile home
15 park, recreational vehicle park, or campground in this state without first obtaining a
16 license from the department.
- 17 2. The application for the license must be made in writing to the department on forms
18 furnished by the department, accompanied by the required fee, and must state the
19 physical address of the proposed location and type of the mobile home park,
20 recreational vehicle park, or campground, ~~the~~ and include:
 - 21 a. Evidence of approval from local officials as to the proposed mobile home park,
22 recreational vehicle park, or campground applicant's compliance with local zoning
23 laws, ordinances, or regulations for the physical address for its intended use;
 - 24 b. The proposed water supply, the~~including~~ how water supply fee services are
25 assessed or metered;
 - 26 c. The proposed method of sewerage and garbage disposal; ~~and such other~~
 - 27 d. Other information as ~~may be required by the department. Application forms must~~
28 be prepared by the department and distributed upon request.
- 29 3. Upon a change of ownership, a new owner shall obtain a license within thirty days
30 from the date of sale. Failure of the owner to obtain licensure within thirty days from

1 the date of sale may result in disciplinary action against the owner for operating
2 without a license.

3 4. The department may not issue a license under this section if the proposed mobile
4 home park, recreational vehicle park, or campground would prevent, interfere, or
5 restrict proposed private development that is actively being pursued.

6 4.5. The department shall waive the license fee and inspection requirement for any mobile
7 home park, recreational vehicle park, or campground owned by the state, ~~a~~
8 municipality, or a ~~nonprofit organization~~ political subdivision. The department shall
9 waive all or a portion of the license fee for any mobile home park, recreational vehicle
10 park, or campground that is subject to local sanitation, safety, and inspection
11 requirements accepted by the department under section 23-10-02.1. ~~A prorated annual~~
12 ~~license fee may be charged for new mobile home parks, recreational vehicle parks,~~
13 ~~and campgrounds.~~ The department may adopt rules establishing the amount and the
14 procedures for the collection of annual license and inspection fees. The fees must be
15 based on the cost of reviewing construction plans, conducting preoperational, routine,
16 and complaint inspections, followup and reinspection, and necessary enforcement
17 action. ~~License fees~~ Fees collected pursuant to under this section must be deposited in
18 the department's operating fund in the state treasury and any expenditure from the
19 fund is subject to appropriation by the legislative assembly.

20 **SECTION 4. AMENDMENT.** Section 23-10-04 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **23-10-04. Inspection.**

23 The department ~~shall~~ may inspect the premises as soon as practical after receiving an
24 application for a mobile home park, recreational vehicle park, or campground license. If the
25 department is satisfied from the application ~~and~~ or inspection that the mobile home park,
26 recreational vehicle park, or campground will not be a source of danger to the health and safety
27 of the occupants or the general public, the department shall notify the applicant of approval of
28 the application ~~and of the amount of the license fee.~~ The department must have access to and
29 may inspect mobile home parks, recreational vehicle parks, and campgrounds at reasonable
30 times. The department may inspect each mobile home park, recreational vehicle park, and

campground in response to a complaint, violation of state law, or on a routine schedule determined by the department.

SECTION 5. AMENDMENT. Section 23-10-06 of the North Dakota Century Code is amended and reenacted as follows:

23-10-06. License issuance –Fee.

~~An applicant seeking licensure shall apply to the department on forms prescribed by the department. The applicant shall enclose with the application an application fee as determined by rule. The department shall issue a license to an applicant who meets all of the requirements of this chapter and any rules adopted by the department.~~

SECTION 6. AMENDMENT. Section 23-10-06.2 of the North Dakota Century Code is amended and reenacted as follows:

23-10-06.2. License transferabilityLicenses not transferable.

~~The department shall transfer a license without charge if the proposed new owner applies in writing for a transfer of the license and certifies that the mobile home park, recreational vehicle park, or campground will be operated in accordance with this chapter. A new owner applying for a transfer under this section and a person holding a license issued under section 23-10-03, shall provide the name, address, and telephone number for the mobile home park managers and any individual possessing more than a twenty percent ownership interest in the entity subject to the license to the department once per calendar year. The department may assess a civil penalty not exceeding five thousand dollars for each violation of this section thirty days after issuing a notice of noncompliance. The civil penalty may be assessed without notice and a hearing. The civil penalty must be awarded to the department and deposited into the department's general operating fund for use in regulating compliance with this chapter. A person subject to a civil penalty pursuant to an order issued under this section may request a hearing before the department if a written request is made within ten days after the receipt of the order. Upon receipt of a proper and timely request for a hearing, the department shall conduct an adjudicative proceeding under this section in accordance with chapter 28-32, unless otherwise provided for by law. If the department prevails in an adjudicative proceeding under this section, the department may assess the nonprevailing party for all adjudicative proceeding and hearing costs, including reasonable attorney's fees, investigation fees, and costs and expenses of the action.~~Licenses under this chapter are not transferable.

1 **SECTION 7. AMENDMENT.** Section 23-10-12 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **23-10-12. Revocation or suspension of license - Penalty for operating without license.**

- 4 1. The department may deny an application or take disciplinary action, up to and
5 including suspension or revocation of a license for a mobile home park, recreational
6 vehicle park, or campground, ~~and revocation of a license for a recreational vehicle~~
7 ~~park or campground~~, against any applicant or licensee upon the failure of the applicant
8 or licensee to comply with this chapter or with any of the rules and regulations
9 promulgated by the department.
- 10 2. Before the department takes disciplinary action against a license, the department shall
11 notify the licensee in writing of the reason disciplinary action is being considered and
12 shall provide a reasonable amount of time for correction to be made. Action taken
13 under the authority granted in this section must comply with chapter 28-32. Any person
14 who maintains or operates a mobile home park, recreational vehicle park, or
15 campground without first obtaining a license, or who operates the same during
16 suspension of the license, is guilty of ~~an infraction~~ a class B misdemeanor.
- 17 3. The department may assess a civil penalty of one hundred dollars per day against a
18 person who maintains or operates a mobile home park, recreational vehicle park, or
19 campground without first obtaining a license. The civil penalty may not exceed ten
20 thousand dollars. The proceeds of the civil penalty must be transferred to the
21 department's general operating fund.

22 **SECTION 8.** A new section to chapter 23-10 of the North Dakota Century Code is created
23 and enacted as follows:

24 **Mobile home park tenant relations.**

- 25 1. A mobile home park owner shall provide a tenant with a summary outlining the
26 tenant's lease and the rights and obligations of the tenant and mobile home park
27 owner under state law. The department shall create forms for the administration of this
28 section.
- 29 2. A notice of intent to evict a tenant from a mobile home park under section 47-32-02
30 must include clear, bold face language stating:

1 "You do not have to vacate immediately. You have the right to remain until a court
2 issues an eviction order."

3 3. A mobile home park may not charge a monthly late fee of more than ten percent of the
4 monthly rent. In addition to the monthly late fee, a mobile home park may not charge a
5 daily late fee of more than five dollars per day.

6 4. A mobile home park may not charge a fee for a utility without an individual meter for
7 each mobile home.

8 5. The department shall adopt rules to:

9 a. Enforce this section.

10 b. Establish the maximum fee for a nonsufficient funds check.

11 c. Enforce the penalty for removal or tampering with a properly functioning smoke
12 alarm, smoke detector, or carbon monoxide alarm.

13 d. Enforce the violation of a written pet agreement or rule relating to pets in a facility.

14 e. Enforce penalties for the abandonment or relinquishment of a dwelling unit during
15 a fixed term tenancy without cause.

16 f. Enforce penalties for noncompliance with written rules or policies of the mobile
17 home park.

18 g. Create requirements for mobile home park owners to document when fees are
19 assessed for issues of noncompliance.

20 h. Ensure all rent payments are properly applied to the correct property owner, and
21 that any change to how payments are applied is communicated clearly to
22 tenants.

23 i. Require mobile home park owners to provide tenants with clear instruction on the
24 acceptable methods to pay rent and any fees that accompany a method of
25 payment.

26 6. The department shall enforce this section and may assess a maximum civil penalty of
27 ten thousand dollars per violation. In addition to assessing a penalty, the department
28 may order the removal of lease terms that violate this section. A person assessed a
29 penalty under this section has the right to appeal the department's order under chapter
30 28-32.

1 **SECTION 9. AMENDMENT.** Section 47-10-28 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **47-10-28. Mobile home park - Ownership - Transfer of ownership - Tenant rights -**
4 **Penalty.**

- 5 1. A person that owns or purchases an existing mobile home park shall:
- 6 a. Obtain an annual license under section 23-10-03;
- 7 b. Designate an official local office, except if the mobile home park contains fewer
8 than twenty-six lots, which must be operational on the fifth business day after the
9 change of ownership;
- 10 c. The mobile home park shall:
- 11 (1) Have a designated telephone number manned on weekdays between the
12 hours of eight a.m. and five p.m.;
- 13 (2) Have an operational emergency contact number manned at all times;
- 14 (3) Designate at least one individual for the property who has the authority to
15 make decisions on behalf of and perform, or direct the performance of,
16 duties imposed on the owner; and
- 17 (4) Provide a tenant with the contact information of the individual under
18 paragraph 3;
- 19 d. Provide written notice to a tenant of the mobile home park regarding the change
20 of ownership within five business days after the change of ownership becomes
21 effective. The written notice must include the information required under
22 subdivision c;
- 23 e. Acknowledge receipt of tenant inquiries or complaints regarding the park,
24 pursuant to section 23-10-10.1, within two business days of receiving the inquiry
25 or complaint;
- 26 f. Provide to each tenant, upon a written request by the tenant or the tenant's
27 agent, a copy of the existing lease terms along with any modifications or
28 amendments, within ten business days of receipt of a written request;
- 29 g. Provide each tenant with the name, address, and telephone number of the legal
30 entity that owns the mobile home park; and

1 h. Provide the telephone number of any existing property manager or designated
2 site agent.

3 2. Before the sale or transfer of a mobile home park, the owner of a mobile home park
4 shall provide residents of the park a right of first refusal to purchase the mobile home
5 park. The owner of the mobile home park shall provide the residents ninety days to
6 obtain financing to exercise the right of first refusal.

7 3. A person that owns or purchases an existing mobile home park may not require a
8 tenant who owns a mobile home located on the property to sell or transfer ownership
9 of the home to the owner of the mobile home park, except as otherwise provided by
10 law.

11 ~~3.4.~~ A person that owns or purchases an existing mobile home park shall provide a tenant
12 advance written notice of any modifications to park rules or regulations at least thirty
13 days before the date the modifications take effect. Except for the rules and regulations
14 under subsections ~~45~~ and ~~56~~, upon the effective date of modifications to park rules
15 and regulations, an owner shall provide a tenant who owns a dwelling unit that fails to
16 comply with the park rules and regulations written notice of the failure to comply and
17 provide the tenant three months to remedy the failure or vacate the premises before
18 initiating an action for eviction against the tenant. During the three-month period the
19 tenant shall comply with the park rules and regulations that were in effect before the
20 modifications became effective, including the payment of rent and any other financial
21 obligations under the terms of the lease. During the three-month period, if the tenant
22 provides the owner a signed document from a person in the business of relocating
23 mobile homes declaring it is not possible to relocate the tenant's dwelling unit within
24 the three-month period, the three-month period must be extended to a date when the
25 dwelling unit can be relocated or the date that is two months after the end of the
26 three-month period, whichever date occurs first.

27 ~~4.5.~~ A person that owns or purchases an existing mobile home park shall provide a tenant
28 advance written notice of any modifications to park rules and regulations addressing
29 sanitation and safety concerns at least thirty days before the date the modifications
30 take effect.

1 ~~5.6.~~ A person that owns or purchases an existing mobile home park shall provide a tenant
2 advance written notice at least thirty days before implementing a rule or regulation
3 regarding the removal of a tongue hitch, or any other modification to the dwelling unit
4 to comply with state or federal housing or financing requirements.

5 ~~6.7.~~ Mobile home park rules in effect on the date advance written notice regarding
6 modifications is provided to a tenant remain in effect until the date the modified rules
7 or regulations take effect.

8 ~~7.8.~~ A person that purchases an existing mobile home park may not increase the monthly
9 tenant rental obligation for six months if the rental amount was increased within the
10 sixty-day period before the date the new owner acquired ownership of the park. Any
11 month-to-month tenancy agreement must provide a minimum of ninety days' notice to
12 the tenant before any rent increase is effective.

13 ~~8.9.~~ A person that owns or purchases an existing mobile home park may purchase utility
14 services, including water and sewer services on behalf of a tenant, and include the
15 amount in the monthly rental obligation or bill the tenant as a separate charge based
16 on actual usage. An owner may not charge a tenant more than the actual cost per unit
17 amount paid by the landlord to the utility service provider, except for a reasonable
18 administrative fee that may not exceed three dollars. An owner may not charge or
19 back charge for the utility services of a tenant paying for the services as a portion of
20 the tenant's monthly rental obligation, unless the cost of providing the services
21 increases. If the cost of providing utility services increases, an owner of a mobile home
22 park may charge a tenant a reasonable amount to cover the increased cost of
23 providing the service. The owner shall provide the tenant access to the records of
24 meter readings taken at the mobile home lot of the tenant.

25 ~~9.10.~~ A person that violates a provision of this section is subject to a civil penalty not less
26 than two thousand five hundred dollars but not exceeding the greater of ten thousand
27 dollars or actual damages, plus actual attorney's fees and costs.

28 ~~10.11.~~ A mobile home park license, issued under chapter 23-10, may be suspended by the
29 district court of the county where the mobile home park is situated for a violation of this
30 section. The holder of the mobile home park license must be assessed a civil penalty
31 for each day the holder's license remains suspended. The amount of the daily penalty

1 is equal to half of the total rent listed on the rent roll for the mobile home park divided
2 by the number of days in that month. The license holder must prove each violation has
3 been remedied and has satisfied all civil penalties assessed before the license
4 holder's license may be reinstated. The district court has discretion over the terms to
5 be satisfied before a license is reinstated. If a license holder fails to comply with the
6 terms of the district court's order, the district court may revoke the holder's license. All
7 park tenants must be allowed to continue to reside in the mobile home park through
8 the duration of the license suspension, unless the department of health and human
9 services takes further disciplinary action against the license under chapter 23-10.

10 During the period of suspension, the license holder or the license holder's agent may
11 not modify the park rules or regulations, modify any tenant's rental arrangement,
12 increase any tenant's rental rate, or terminate any tenant's lease without cause.

13 ~~44.12.~~ In a dispute between a landlord and a tenant under this section, the district court of the
14 county in which the dispute arose has original jurisdiction over the dispute relating to
15 the suspension of a license. For the recovery of civil damages under subsection 910,
16 the tenant may elect to commence the action in small claims court or district court. If
17 an action between a landlord and tenant is commenced, the tenant shall continue
18 paying rent and comply with all park rules and regulations in effect at the time the
19 action was commenced. During a pending action under this section, the license holder
20 or the license holder's agent may not modify the park rules or regulations, modify the
21 tenant's rental arrangement, increase a tenant's monthly rental rate, or terminate a
22 tenant's lease without cause.

23 **SECTION 10. EXPIRATION DATE.** Section 8 of this Act is effective through July 31, 2027,
24 and after that date is ineffective.