

Good afternoon Chairman Warrey and members of the House Industry, Business and Labor Committee. For the record, my name is Senator Bob Paulson from District 3 in Minot. I'm here to introduce SB 2385.

SB 2385 is a continuation of an effort from the two previous sessions to bring accountability to out of state investment groups who buy mobile home parks in North Dakota and then proceed to mistreat North Dakotans. This problem is certainly not limited to our state, which you could see if you had the chance to review the information I emailed last weekend, but this bill is brought to protect North Dakota citizens.

Mr. Chairman and members of the committee, I worked to limit my comments this afternoon, thinking that it would be good for the tenants to speak for themselves. However, some of them are unwilling to do so, as evidenced by the following note I received from a constituent:

"These companies buying the parks are raising the lot rent so high that it is forcing people out that have nowhere else to go and cannot afford to have their homes moved. This means that the corporation will more than likely gain possession of the home. I have personally seen this happen and lost my job as a park manager when I tried standing up for my residents. When you try and talk to the corporations, they have no care in the world. You try talking to them about the elderly, disabled, etc and they tell you "then they can move" I am honestly scared of my husband and I being evicted if I speak up, they (the owners) are ruthless. If there is anything I can do without jeopardizing my home, please let me know."

So Mr. Chairman and committee members, I'm not sure who all will testify this afternoon or submit written testimony, as a lot of them feel intimidated.

I first became aware of this issue in 2021, but an email I received during the 2023 session really detailed what was going on. To quote from that email:

"On February 1st I received an email from their site manager that contained a link to the new 41-page lease. At the bottom of that email was a statement that once we click on the link, we have 1 day access to the lease. The email also stated that we were to sign and finalize the document. I received a reminder email on February 2 to which I replied to clarify that they were indeed requiring tenants to read and sign the document in a day. The manager confirmed that yes that was the case. I requested additional time. She did not respond to my request. I then received another

memo portion of the check. I called attorneys on her behalf, but none were willing to take her case. She was evicted, and because mobile homes are characterized as personal property and not real estate, after a period of time they revert to the park owner as their property, so she lost her home. She could not find a place to rent because she now had an eviction on her record. It was one of the most frustrating experiences of my life to not be able to find a way to help her.

If you live in an apartment and you get evicted, you can often find another place to rent and simply move your items to your new residence. When you get evicted from a mobile home, it is nearly impossible to find a business who moves mobile homes who can respond within the required timeframe, assuming you can find a location to move it to. I think it's important to keep in mind that these tenants are often not people of means.

I will very briefly go through the bill, as the experts will testify behind me. Section 1 of the bill has to do with what happens if an owner's license is revoked. The park would be placed in a receivership, and I believe this section is modeled after states that are already doing this. Section 2 has to do with licensing, providing contact information for the manager, and a penalty for failure to follow the licensure process. Section 3-7 have to do with the licensing process and the penalty for operating a park without a license. Section 8 in the original bill would have been managed by the Department of Health and Human Services. The intent behind this was to make it easier to resolve tenant concerns regarding landlords who violate state law without the risk of being evicted, however it was determined that this was not tenable because attaching tenant rights to the mobile home park license would prolong, and not streamline, resolution of these issues because of the due process rights surrounding regulatory licenses. For this reason, it was determined that the best approach was to put the tenant related elements of Section 8 under Chapter 47-10-28, mobile home park - tenant's rights, and create a new section under Title 47-32, the Eviction Code, that states that "during an eviction proceeding against a tenant of a mobile home park, if the court finds the landlord violated a provision section 47-10-28, the court may not order an eviction."

Section 9 creates the new section on defense to an eviction from a mobile home park.

Mr. Chairman, that concludes my testimony and I would be happy to stand for any questions.