2025 HOUSE INDUSTRY, BUSINESS AND LABOR HB 1187

2025 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee

Room JW327C, State Capitol

HB 1187 1/13/2025

A BILL for an Act to create and enact a new section to chapter 35-27 of the North Dakota Century Code, relating to a debris removal lien.

9:23 a.m. Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chairman Ostlie, Vice Chairman Johnson, Representatives Bahl, Brown, Christy, Finley-DeVille, Grindberg, Kasper, Koppelman, D. Ruby, Schatz, Schauer, Vollmer.

Discussion Topics:

- Blighted property
- Fire insurance policy
- Notice of lien
- Repaired or remediated property
- Tools to mitigate
- Release the lien
- Dangerous building notices
- Non-conforming houses
- Structurally unsound
- Notify insurance companies
- Insurance contracts

9:23 a.m. Representative Scott Louser, District 5, Minot, ND, introduced and testified in favor.

9:25 a.m. Kelli Kronschnabel, Fire Chief, City of Minot, ND, testified and submitted testimony in favor #28515.

9:39 a.m. John Arnold, Deputy Insurance Commissioner, ND Insurance Department, testified neutrally.

10:02 a.m. John Ward, Attorney, ES Attorneys, representing the Association of North Dakota Insurers testified in opposition.

10:09 a.m. Chairman Warrey closed the meeting

Diane Lillis, Committee Clerk

North Dakota House of Representatives Industry, Business, and Labor Committee Chairman - Rep. Jonathan Warrey

By: Kelli Kronschnabel
Fire Chief, City of Minot
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In support of HB 1187

Chairman Warrey and members of the House Industry, Business, and Labor Committee: My name is Kelli Kronschnabel, and I am the Fire Chief for the City of Minot. Thank you for allowing me to provide testimony today in full support of HB 1187.

Local governments often shoulder the responsibility and potentially burdensome cost of cleaning up burned and abandoned structures. Unfortunately, cities also often experience the costly aftermath of these tragedies, as some property owners take their insurance money but leave behind a structure that is dangerous to the public and very expensive to demolish. The cost of that demolition and property remediation too often becomes the responsibility of local government when an owner abandons the fire-damaged property.

House Bill 1187 would provide fire departments and municipal governments with another important tool to help recoup at least some of those costs, thereby providing a level of financial relief and neighborhood safety to a community and its residents.

Creating a debris removal lien would offer several safety advantages, not only for us as a fire department, but for an entire community. Such a lien would discourage arson or deliberate neglect, and it would discourage abandonment by property owners after a fire.

For the community, a debris removal lien would help return properties to productive use in a timely manner. A lien would help local governments mitigate fire-related health and safety hazards created by neglected properties, and avoid passing the costs associated with cleaning or demolishing damaged or abandoned properties to residents.

HB 1187 would help protect our fire department and our community's residents from being stuck with the costs associated with abandoned and fire-damaged structures by requiring an insurer to withhold payment of a portion of proceeds until it receives notification that the building has been repaired or cleaned up. The lien would be released if the property owner satisfactorily repairs or cleans up the affected property.

Returning the affected property to a safe condition is paramount to the health and wellbeing of every community. Having a damaged property returned to a safe condition by the property owner is a win for the entire community, as it removes a potential neighborhood health hazard and it eliminates the need for municipalities to conduct extensive and expensive clean-up work on private property.

But if the property owner ignores their responsibility, and the City of Minot incur the cost of cleaning and restoring the property to a safe condition, HB 1187 would ensure that those costs don't become a burden to the residents of our community. The lien created by HB 1187 would provide much-needed protection against irresponsible property owners while maintaining the standards of health and safety that community residents expect and deserve.

HB 1187 would be a welcome addition to the physical tools we use every day to protect and serve our community. On behalf of the Minot Fire Department and the City of Minot, thank you for your time and consideration in this matter.

2025 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee

Room JW327C, State Capitol

HB 1187 1/21/2025

A BILL for an Act to create and enact a new section to chapter 35-27 of the North Dakota Century Code, relating to a debris removal lien.

3:25 p.m. Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chairman Ostlie, Vice Chairman Johnson, Representatives Bahl, Brown, Christy, Finley-DeVille, Grindberg, Kasper, Koppelman, D. Ruby, Schatz, Schauer, Vollmer.

Discussion Topics:

- Cap on costs
- Lien on funds, not property

3:26 p.m. Representative Schauer moved a Do Not Pass.

3:26 p.m. Representative Koppelman seconded the motion.

Representatives	Vote
Representative Jonathan Warrey	Υ
Representative Mitch Ostlie	Υ
Representative Landon Bahl	Υ
Representative Collette Brown	Υ
Representative Josh Christy	Y
Representative Lisa Finley-DeVille	Υ
Representative Karen Grindberg	Υ
Representative Jorin Johnson	Υ
Representative Jim Kasper	Υ
Representative Ben Koppelman	Υ
Representative Dan Ruby	Y
Representative Mike Schatz	Y
Representative Austin Schauer	Y
Representative Daniel R. Vollmer	Υ

Motion passed 14-0-0.

3:32 P.M. Representative Ostlie will carry the bill.

3:32 p.m. Chairman Warrey closed the meeting

Diane Lillis, Committee Clerk

REPORT OF STANDING COMMITTEE HB 1187 (25.0858.01000)

Module ID: h_stcomrep_09_009

Carrier: Ostlie

Industry, Business and Labor Committee (Rep. Warrey, Chairman) recommends DO NOT PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1187 was placed on the Eleventh order on the calendar.