

2025 SENATE INDUSTRY AND BUSINESS

SB 2385

2025 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

SB 2385
2/4/2025

A bill relating to licensure and regulation of mobile home parks; to provide a penalty; and to provide an expiration date.

9:30 a.m. Chairman Barta called the meeting to order.

Members present: Chairman Barta, Vice-Chairman Boehm, Senator Klein, Senator Enget

Members absent: Senator Kessel

Discussion Topics:

- Out-of-state investment groups
- Rent raises, utility charges, and recharacterization of payments
- Fear of eviction and intimidation
- Origin of issue
- Violation of laws
- Mobile home movement and assistance
- Receivership definition, termination, and examples
- Commerce Department
- Health and Human Services Department
- Licensing process
- Land-lord tenant relationships and issues
- Sunset clause
- Compliance and class action lawsuits
- Other states and potential lawsuits
- Legal hesitance, education, and engagement
- Tenants' rights and protection
- Unlicensed mobile home parks and infringement of the law
- Renter-friendly states
- Affordable housing and grants
- Transition of ownership
- Health, safety and homelessness
- Authority expansion
- Civil penalties, letter notices, and process
- Percentage of out of state or LLC owners
- Number of corporate changes with penalties
- Change of ownership and inflation
- Local zoning approval
- Political subdivision and inspection/regulation
- Non-profit organizations
- Inspection and re-inspection fees

- Annual business ownership
- Resource expenditure and administrative time
- Information management systems
- Additional resources
- HOA and the ND Manufactured Homes Association
- Nationwide issue
- Gang stocking
- Water resale
- Economic issues
- Recent regulations and new rules
- Affordable housing and the ND housing market

9:30 a.m. Senator Bob Paulson, District 3, testified in favor and submitted testimony #34415.

9:47 a.m. Allyson Hicks, Assistant Attorney General, testified neutrally.

10:04 a.m. Julie Wagendorf, Director of Food and Lodging with the Department of Health and Human Services, testified in favor and submitted testimony #33893.

10:29 a.m. Mike Connelly, Bismarck citizen, testified in favor and submitted testimony #34293.

10:41 a.m. Kellen Benz, Mandan citizen, testified in favor.

10:46 a.m. Mike Connelly, Bismarck citizen, testified in favor.

Additional written testimony:

Connie Samuelson, Resident of Minot, submitted testimony #33420 in favor.

Katena J. Thompson, Owner of Meadowpark, submitted testimony #34245 in favor.

Susan Zietz, Resident of Minot, submitted testimony #34416 in favor.

Lisa Bergstad, Resident of Minot, submitted testimony #34419 in favor

10:47 a.m. Chairman Barta closed the hearing.

Audrey Oswald, Committee Clerk

My name is Connie Samuelson - Minot

I am writing in support of SB2385

As a young couple, my husband and I purchased a mobile home (trailer) which was placed in a "trailer park". We chose this purchase for several reasons. It was our first major investment and a place we could call our own. We loved the idea of a yard for our first family member, our small dog, Ebit. We enjoyed the privacy and learning how to care for a lawn, garden and flowers. We had tried apartment living, but realized (my dad's influence) paying monthly trailer payments plus lot rent at that time, was less expensive than renting an apartment. Therefore, we were able to save money and use the proceeds of the sale towards buying our first home.

Obviously, times have changed. My two young adult children are not allowed this opportunity, for several reasons. First is the drastic and uncontrolled increases in lot rent. Rent no longer includes most utilities, which causes unexpected financial burdens that many young couples cannot afford. Second, too many mobile home parks are met with uncertainties regarding ownership flips. ND property ownership has become a buying war by out of state interests. Although this does not apply only to mobile home lots, they seem to be the most vulnerable. Other problems that this bill will address is, parks being sold to other entities without notice, having on site Managers, providing contact information for tenants for issues they are experiencing such as rent payments, termination of lease, dangerous situations etc.. Often used as an excuse for increasing rent, out of state interests often make commitments for upgrades promising, to keep the parks safe and secure. Often met with no provisions or there is no accountability. The experiences that have been shared with me by friends who have recently experienced living in mobile home lots, is very concerning.

I will close in saying there are several House and Senate Bills relating to the unfair practices of landlords and property managers for rental units. If they are victims of wrongful doings when renting apartments and mobile homes and lots, ND will continue to have serious issues with retaining our young families.

Please support SB2385 and give our young people the opportunity we had when we first started out.

Thank you,
Connie Samuelson
226 Souris Drive
Minot, ND 58701

Testimony
Senate Bill No. 2385
Senate Industry and Business Committee
Senator Barta, Chairman
February 4, 2025

Chairman Barta, and members of the Senate Industry and Business Committee, I am Julie Wagendorf, Director of Food and Lodging with the Department of Health and Human Services (Department). I appear before you today to offer neutral testimony on Senate Bill No. 2385.

The Department supports a regulatory framework with effective enforcement mechanisms to ensure that every mobile home park (MHP) operates with strict regard for the health, safety, and comfort of its occupants. The Department is charged by N.D.C.C. § 23-10-03 with licensing mobile home parks in the state of North Dakota. As part of the licensure process and in response to new construction, expansion, or a change in the use, the Department performs a plan review and a preoperational inspection of the MHP before it operates and routinely thereafter, and in response to complaints. The MHP program is unique for the Department as other program areas, such as lodging establishments, recreational vehicle parks, and campgrounds, serve transient guests in the realm of hospitality and recreational purposes, and do not require regulation of residential property.

Section 8 of Senate Bill 2385 would expand the Department's scope of authority to include landlord-tenant disputes, rental fee and late fee disputes, and evictions, which are civil matters traditionally handled by the district courts under Title 47 of the North Dakota Century Code. The Department does not have experience or resources in adjudicating the

relations or disputes between a landlord and tenant. Section 8 of this bill is untenable for the Department, and if it remains in the bill it needs to be charged to another agency or remain as a civil court matter under Title 47.

Section 1

Sections 1 and 7 of Senate Bill 2385 reinstate the authority of the Department to revoke a license due to noncompliance with state law and rules adopted by the Department. During the 2023 legislative session, this authority was removed from the Department. The challenge with revoking a license as a form of disciplinary action of the license holder is that this action results in an MHP operating without a license which is an infraction of law and inevitably leads to evictions of tenants. Section 1, lines 8-23, on page 1, and lines 1 through 20 on page 2, is a new section that includes a receivership. This mechanism of enforcement allows an MHP to continue operating when a license is revoked by the Department, protecting rule-abiding tenants from eviction, disciplines the license holder violating the law from collecting revenue on lease rent, and engages the court system to assist in the decision-making.

Section 2

During the 2023 legislative session, the Department worked with legislative committees and sub-committees to add a new provision in law to require annual business ownership information. The authority was added in N.D.C.C. § 23-10-06.2 and includes a civil penalty for violation of this section. This one provision in law added significant time to the Department, issuing 121 warning letters and 15 orders to pay civil penalties.

At the time N.D.C.C. § 23-10-06.2 was enacted in law, the Department licensed 177 of the total 259 MHPs in the state or approximately 60%. Of the 177 MHPs, approximately 40% of the MHP owners licensed by F&L had mailing addresses listed out of state; and 83% of the out-of-state owners are listed as LLCs. The remaining 61% of MHPs that are licensed by the Department have mailing addresses in the state, and 35% are listed as LLCs. The number of licensed MHPs changing ownership tripled in 2024, from 15 compared to 5 in the previous two years. Most changes in ownership are not reported to the Department until several months after the point of sale, requiring the Department to expend time and resources to locate the new owner, send certified notices of violations for operating without a license, and engage in settlement agreements to achieve compliance in law. These enforcement actions increased significantly in the current biennium.

Section 2, lines 21 – 31 on page 1, and lines 1-10 on page 3 move the requirement for annual business ownership to a new section in law to improve accessibility and help license holders understand the requirement.

Section 3

The proposed changes in section 3 of this bill amend Section 23-10-03 of the North Dakota Century Code to add additional enforcement mechanisms and requirements for license applications and provide general housekeeping. Proposed changes to paragraph 2, lines 17-23, on page 3, provide and add a requirement for the license applicant to submit local zoning approval for the intended use of the physical location of the property. This provision will ensure the MHP applicant has permission to

construct a park by local zoning and building authorities before or by the time they apply for a license to operate an MHP.

Lines 24-25 will require the applicant to describe plans for water utilities and water meter installation of the park with the application and plan review submittal.

Paragraph 3, starting on line 29, page 3 provides a 30-day-grace period for new MHP owners to submit complete license applications to the Department to avoid disciplinary action for operating without a license.

Paragraph 5, lines 6 – 19, page 4, removing the license and inspection requirement of the Department for any park owned by a political subdivision. N.D.C.C. § 23-10-02.1 authorizes the Department to accept local enforcement and inspections. The burden of the Department and operational costs for inspecting a park owned by a political subdivision should incur a license fee. Since this license fee is waived, the Department does not have operational costs to inspect parks owned by a political subdivision. Furthermore, this provision in law is intended to promote local control and, therefore, requiring the state to conduct inspections as a form of regulation contradicts the intent of local control. The provision to waive a license fee for a non-profit organization is removed. Line 14, page 4, adds the authority for the Department to adopt rules establishing inspection fees needed for a follow-up inspection and reinspection due to repeat violations and noncompliance.

Section 4

Section 4, line 23, page 4, replaces 'shall' with 'may,' affording the Department discretion in spending operational expenses in staff time and travel costs to inspect after receiving an application for an existing MHP if an inspection was recently conducted and the assessment at the time of the most recent inspection in addition to review of compliance history,

does not result in concern over the health and safety of the occupants or the general public.

Section 5

Section 5, line 6, page 5, is mostly housekeeping and moves language to Section 3 of the bill under License Required - Application.

Section 6

Section 6, lines 10-31, page 5, removes license transferability and moves language on annual business ownership into a new section 2, see page 2.

Section 7

Section 7, Line 5, on page 6, reinstates the authority to revoke an MHP license as previously explained in coordination with a receivership outlined in Section 1 of the bill. Line 16 changes the criminal violation of law from an infraction to a Class B misdemeanor. Paragraph 3, lines 17-21, authorizes the Department to assess a civil penalty for operating without a license.

Section 8

Section 8, starting at line 22 on page 6, through line 28 on page 7, as previously mentioned at the beginning of my testimony, cannot be implemented and maintained within the existing regulatory framework or resources charged to the Department under North Dakota Century Code 23-10.

This concludes my testimony. I would be happy to try to answer any questions the committee may have. Thank you.

My name is Katena we have been living in the Meadow park trailer park for almost 4 years we rent due to the fact that my fiance job moves when finished we rented a trailer due to the fact there are no rental houses we had 4 children at home when we first moved here now we have 2 we did good when we first moved in our rent was 950 which was agreed upon rental park we had people from different state purchase the park and literally have jacked our rent up to 1100 month and plan to raise it again another 200 just because we won't purchase the mobile home we are in this has got to be wrong for them to do this and this is why there are so many homeless people in this town I vote for this because they shouldn't be allowed to get away with this for people trying to make in this town.

Chair and Members of the Senate Industry and Business Committee

Please consider a DO PASS recommendation for SB 2385

My name is Mike Connelly, and I have been a citizen advocate for fellow citizens throughout the state of North Dakota regarding investment companies taking over sales of manufactured home park properties since 2017. Although, I am currently an advocate as a Bismarck City Commissioner, I want to make it clear that I am only representing my perspective and NOT in any capacity is an official stance of Bismarck. Official city positions can be acquired by reaching out to our mayor or our city administrator.

Locally, 8 years ago was the first time we saw MA properties being bought up by out of state investment companies. At the time the rents hovered around \$200 to \$230/mo with no additional fees tacked on. Then, we were introduced to a company out of Utah and tenants were introduced to a 38-page lease, much of what appeared to be not legal within North Dakota. A town hall meeting and subsequent follow-up by our Representative Dick Dever and at the time Mayor Steve Bakken were able to get some of the provisions to be voluntarily removed in negotiating with the new owners.

It was not long after the leases were signed that the tenants were seeing significant rises in rent (which has now gone up to an average of \$700 / mo for the lot, even when most are owned by the tenants. Trailers create a dilemma since owners are not able to move any trailer that is over ten years old, unless they own a large lot properties outside of city limits. To further make it difficult to make families more immobile companies wanted to demand that their hitches be removed, but if families wanted to move, they would have to pay to have the hitch reattached at their own expense. Additionally, MA park owners retain a first right of refusal of sorts where if a tenant tried to sell to someone else, they owners can say "no" on the sale. I know of people that have talked to me and said they have been turned down on sales by the owners. If tenants move because they cannot afford the place or they are evicted, then the owners of the properties file for abandonment property and take the home away from the citizen. I believe this sort of thing is what is driving our people into homelessness as huge profits are sent out of state, leaving us with figuring out how to provide services to those displaced. (Side note: Homelessness in ND is up 26% over the last 4 years and nationally 16% in just the last year and this seems to play a part in it.)

Two summers ago we had a park in Bismarck petition the city commission to re-sell water that would be metered to their residents and it was met with a unanimous no. The point is that what used to be all inclusive when renting lots now has all of a people paying

additional fees for things such as water, sewage, pets, parking, garbage, significant late fees etc.

Last year a company out of Washington bought a MA park across the river in Mandan, 40+ page lease, tore out all of the fences (some of which were put in by the tenants) and upon having the leases signed, were given a notice that although the new owner does not actively list their properties, their properties are always available to be bought. If such an occurrence were to happen, then the notice they received should be considered their first notice of a 30-day eviction notice by the new owner. With no ability to move the trailers they own; this has many on edge when they may lose their home. Can you imagine, the owners hold all the cards without allowing a person to sell their property and yet always on notice that they are just 30 days away from being forced to move.

Additionally, despite several attempts to advocate for tenants in MA parks with bills like SB 2159 (passed) - HB1152 (failed) - HB 1103 (passed) in 2021, and SB 2243 passed in April 2023 to address in home inspections, on site corporate communication, and other provisions it is now known that unless there is more accountability corporate companies are perfectly willing to ignore the laws passed here until we do hold them accountable.

I believe SB 2385 has the potential to do just that and thus recommend a DO PASS of the bill by this committee. Pulling operating licenses, fines, and charges are great ways to let owners know that we mean business. I am all for companies making money if they do so ethically. I am all for tenants that respect their property in the right way. Empower the good, but since few are angels make sure we have the means to hold the bad properties available.

Now, I am not one that is in favor of efforts like “rent controls” or “organized unions”, thus we as conservatives do need to step up and adopt what we can to empower the good and hold the bad accountable. Given the rapid increased costs to families and the difficulties to talk to management in resolving issues we are being taught that regulation is the only way to make an impact on this difficulty. SB 2385 will do that.

Sincerely,

Mike Connelly

Bismarck citizen

Bismarck City Commissioner (personal perspective and not the official position of Bismarck, if desired reach out to the Mayor or City Administrator for official stances of the City of Bismarck

Good morning Chairman Barta and members of the Senate Industry and Business 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, but this bill is brought to protect North Dakota citizens.

Mr. Chairman and members of the committee, I worked really hard to limit my comments this morning, 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 morning 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 reminder email on February 3. I again replied to that email asking for additional time and a paper copy. She told me to click the link and sign the document, and that she would then provide me a paper copy to sign. ??? I then asked her what date I had to sign by, and she told me I had 5 days and had to sign by February 7 or would be considered not in compliance (her words) and will be subject to eviction. At this point I felt very pressured and threatened"

And I'll just point out, committee, that the law requires 30 days to review a lease.

The email went on to say:

"Additionally, there are several highly restrictive and punitive statements in the lease. The lease states "no temporary guest may stay at the home overnight and must be approved, in writing, by the Community Manager. Additionally, any guests intending to stay overnight are subject to Community Manager's criminal background check." It further states "Your houseguest should bring a valid Government photo ID and fill out the necessary paperwork."

When a representative from the North Dakota Manufactured Homes Association (NDMHA) was finally able to locate and contact the out of state owner, he informed them that they were in violation of ND law, and the response he received was, "We know, we have the law right here". Since the law did not have adequate "teeth" so to speak, they were unconcerned.

It seems fairly typical that the new owners will present a new lease with significant rent increases, new utility charges when utilities haven't been charged in the previous 15-20 years, along with the threat of "sign the lease or get evicted". If tenants are unable to pay the increases in rent, it is unlikely they can afford the thousands of dollars it costs to relocate a mobile home. They are truly between a rock and a hard spot, and are ripe for extortion. And the park owners know that.

The case I was personally involved with was a 76 year old disabled lady who had lived in her home for 14 years. Never late on her rent in 14 years, she signed a new lease under duress while disputing the utility bills, since there were no individual water meters on the lots and water had always been included in the lot rent. She continued to pay her rent, but unbeknownst to her, the manager re-characterized a portion of her payment as a utility payment, and then submitted

eviction paperwork for non-payment of rent. I sat in her home as she cried and showed me canceled rent checks that the manager had cashed, with the word "rent" written in the 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 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 will 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.

Chairman Barta, I have an amendment prepared by Ms. Allyson Hicks of the Attorney General's office, that would move Section 8 of the bill under the Commerce department, since that section has to do with landlord/tenant relationships and not licensure. Ms Hicks is here and is willing to speak to that amendment along with taking questions on the bill, as she developed a significant portion of the bill. The other portion was developed by Health and Human Services, and I believe Ms. Wagendorf will be providing neutral testimony on that portion of the bill.

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 to do 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. Sections 3-7 have to do with the licensing process and the penalty for operating a park without a license. Section 8 has to do with landlord tenant relationships as previously mentioned, includes a provision that utilities cannot be charged unless they are individually metered, and discusses rules that the Commerce Department will develop and the penalty for violating those rules.

Section 9 has to do with a change of ownership, and gives tenants of the mobile home park right of first refusal to purchase the park if they choose to do so. Section 10 of the bill is a sunset clause for Section 8, since it is unique to mobile home parks it would give an opportunity to evaluate the benefits next session. And frankly, Mr. Chairman, if the committee felt it prudent to do so, it wouldn't bother me if Section 10 was removed from the bill.

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

.. I am a 76 year old widow with a fixed income (social security) who lives in Woodridge Mobile Home Community and have been struggling to pay the high lot rent charged by our out of state owners for some time now(they are from California) we are being charged over 700.00 a month (720.) and he goes up every year.. we also pay for the lawn upkeep and weed control and maintenance which I have a hard time finding help with.. have been doing mowing myself but have two bad knees.. there's a lot of people with fixed income who live here and can't afford it anymore but can't come to the meetings..so I am speaking for them too.. we are also responsible for utilities also.. it's too expensive.. I want you to thank you for introducing this bill! Maybe we have some hope yet?! Sincerely, Susan R Zietz 800-31st AVE SE Lot # 330 Minot ND 58701

Harassment is defined as conduct that is pervasive and repetitive. I have been a victim of administrative, economic and legal harassment by Homes of America for the last year. Since April 2024, they have taken my monthly rent and utility payment and applied it to alleged fees, even though my check memos specifically state what the payment is for. Therefore, appearing I am in arrears with my rent and utilities, which then leads to a three day pay or quit notice and subsequently a court date. I have questioned the added fees with multiple managers. We are on manager number four this year and they all give conflicting information. I've asked repeatedly for the regional manager only known as "Sydney" to call, email, or text me to discuss this and I am told they will forward my message to her. However, she never contacts me. When I've asked for her contact information, I do not even receive a reply.

In April 2024, manager Jim Comer states in a letter that I owed \$2095.65 plus \$290 late fees for utilities from May 1, 2023 to April 1, 2024. I informed him the previous manager Steph Munos had never mentioned to me that I had an outstanding balance. In fact, I have a message dated June 12, 2023 where she states we were current and actually a \$1.46 credit. He told me that it didn't matter what she said because she is no longer the manager. Jim said his supervisor gave him permission to allow me sign a three month repayment plan for May, June and July to avoid legal action. Out of fear of being evicted and him disregarding any discussion, I signed it. I was never provided with a copy of my actual utility bills for those months in question.

Somewhere between April and May Jim Comer either quit or was fired. Later, I was told by new manager Courtney Gray that he was no longer there because he was too lenient on renters. May 2024, I paid my rent and utilities and number one of Jim Comer's agreement. The next week I received a three day payer quit on my door. I contacted Courtney Gray and informed her of the payment agreement. Courtney told me that she spoke to her manager Sydney, and was told to not process my payments because she did not give Jim authorization to make that agreement with me. I was told I needed to pay in full or eviction proceedings would continue. I asked Courtney for a ledger that showed what I owed. She provided me with a ledger, which showed I only paid \$410.09 in March and nothing in April or May. I showed her copies of all of my cashed checks for March April and May, which weren't showing as applied on my ledger. She said the ledger information was from before she was there and wasn't sure but would forward my message and concerns to Sydney. I show up for my court date and was met by Courtney in the hall. She said "didn't anyone tell you you didn't have to come today? We took you off the docket so just proceed with the payment agreement." The one they originally stated was invalid. They also cashed my checks they stated they would not accept a few days before canceling my court date.

In June 2024, I paid the rent and utilities and had asked Courtney if I could pay my second payment agreement in the middle of the month because it is a lot to come up with all at once and I still have children at home I support. Again, I was informed my payment will not accepted. Three day eviction notice given, followed by another court date. I paid my second payment agreement before the scheduled court date, but court was not canceled. I told Judge Mattson, my rent and utilities were paid and cashed by Homes of America and did not feel I should be in court. I also told him that I had asked management to pay my second payment agreement later in the month, which I did and they still served me a three day pay or quit. He dismissed the case and said my third and final payment agreement could

be July 15 2024.

In July 2024 I paid the rent, utilities and my final payment by July 15. Once again, I received a three day pay or quit, followed by a court date. I emailed the new manager number three Lynn Brown, asking why I got this when I was paid current. My email comes back blocked. I text the after hours cell line stating I'm trying to reach them regarding my payments and the three day payer quit but no response. When I would call the office. It just rang and no voicemail set up to leave a message. I reached out to former manager Courtney and asked how to reach the office. She gave me Mary Stevenson's email. She manages Parkview trailer court. I forwarded the email I sent to Lynn Brown to Mary Stevenson. She tells me I still owe \$47.50 for a late fee and I needed to pay that to take me off the docket. I paid \$50, she emailed me a reply that she applied it and I would be removed from the court docket. I thanked her and reiterated that I was at a \$2.50 credit for a balance. I also asked her for a copy of my utility bills for the months of the payment agreement. I got no response.

In August 2024, I drop off my rent and utilities in the Western Village dropbox on the 3rd. on the 5th I receive a call from Lynn Brown telling me my payment would not be accepted because Sydney added \$465 in lawyer fees on July 31 for July's case which was canceled. She said that Sydney had emailed Mary Stevenson to inform me of the new added fees, but she did not. I told Lynn Brown that Judge Mattson approved my final payment to be made July 15 and it was. The attorney for homes of America. Mr. Kostenko was present and aware of this so paperwork should not have been processed at all. There were no mention of lawyer fees in court. On Aug 6 2024, I gave them my 30 day written notice that I would be removing my home from the park because I felt very targeted and unfairly treated. Yet again, they don't process my August payment so it looks like I didn't pay rent and utilities and they serve me a three day pay quit August 12, knowing full well I am already leaving this toxic community. I can only assume to try and charge me more lawyer fees that are not justified. Along with the three day pay or quit, they attached a ledger showing the added fees. They alsoo logged that my August payment was received on Aug 7th not the 3rd when it was actually dropped it off and charged me a \$50 late fee.

I have the documentaion to support all of the information in this statement. Because of the constant eviction attempts, hours I've missed work, alleged fees, and emotional stress month after month I feel I had no choice but to withdraw money from my 401(k) so that I can move. Funds I worked hard for to retire I have to utilize now because of the unethical and greedy operation of Homes of America. I have lost a lot of unjustified time and money, simply being a good tenant. There are so many people in similar situations with Homes of America without resources for help or that are afraid to speak out for fear of being homeless. I hope my voice encourages others to stand up for themselves and their rights and do the same.

Lisa Bergstad

8-13-2024

1852 16TH ST SW LOT 84

Minot ND 58701

2025 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

SB 2385
2/10/2025

A bill relating to receivers for mobile home parks, annual ownership information for mobile home parks, mobile home park tenant relations, and a defense to an eviction from a mobile home; and relating to licensure and regulation of mobile home parks; and to provide a penalty.

3:42 p.m. Chairman Barta opened the hearing.

Members present: Chairman Barta, Vice-Chair Boehm, Senator Klein, Senator Kessel, Senator Enget

Discussion Topics:

- Fiscal note
- Landlord tenant disputes and the executive branch
- Department of Health and Human Services, licensing, and regulations
- Mobile home tenant rights
- Utility fee charges and individual meters
- Absolute defense to eviction
- Late fee caps and percentage of monthly rent

4:06 p.m. Allyson Hicks, Assistant Attorney General of the ND Office of Attorney General, testified in neutral.

4:16 p.m. Senator Kessel moved to adopt amendment LC #25.1016.02001.

4:16 p.m. Senator Enget seconded the motion.

Senators	Vote
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Mark Enget	A
Senator Greg Kessel	Y
Senator Jerry Klein	Y

Motion passed 4-0-1.

4:19 p.m. Committee will table the bill.

4:19 p.m. Chairman Barta adjourned the meeting.

Audrey Oswald, Committee Clerk

RS 2/11/25
1 of 12

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

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, a new sections~~ section to
2 chapter 23-10, and a new section to chapter 47-32 of the North Dakota Century Code, relating
3 to receivers for mobile home parks, annual ownership information for mobile home parks, ~~and~~
4 mobile home park tenant relations, and a defense to an eviction from a mobile home; to amend
5 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
6 North Dakota Century Code, relating to licensure and regulation of mobile home parks; and to
7 provide a penalty; ~~and to provide an expiration date.~~

8 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

11 **Definitions**

12 For purpose of this chapter:

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

15 **Conditions for appointment of receiver.**

- 16 1. When the department revokes the license of a mobile home park, the department may
17 file a petition with the district court to place the mobile home park under the control of
18 a receiver for repeated or serious violations of chapter 23-10 or the administrative
19 rules of the department, or to protect health or safety.
20 2. The court may grant the petition after finding:

- a. The mobile home park committed, or is continuing to commit repeated or serious violations of chapter 23-10 or the administrative rules of the department; or
- b. Health or safety would be seriously threatened if a condition existing at the time the petition was filed continues.

Appointment of receiver.

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

Termination of receivership.

The receivership terminates when:

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

Accounting.

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

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

License - Information required - Penalty.

1. A new owner applying for a mobile home park license under section 23-10-03 and a person applying for a renewal mobile home park license under section 23-10-06.1, shall provide to the department once per calendar year the name, address, and

1 telephone number for the mobile home park managers and any individual possessing
2 more than a twenty percent ownership interest in the entity subject to the license.

3 2. The department may assess a civil penalty not exceeding five thousand dollars for
4 each violation of this section thirty days after issuing a notice of noncompliance. The
5 civil penalty may be assessed without notice and a hearing. The civil penalty must be
6 awarded to the department and deposited into the department's general operating
7 fund for use in regulating compliance with this chapter. A person subject to a civil
8 penalty pursuant to an order issued under this section may request a hearing before
9 the department if a written request is made within ten days after the receipt of the
10 order. Upon receipt of a proper and timely request for a hearing, the department shall
11 conduct an adjudicative proceeding under this section in accordance with chapter
12 28-32, unless otherwise provided for by law. If the department prevails in an
13 adjudicative proceeding under this section, the department may assess the
14 nonprevailing party for all adjudicative proceeding and hearing costs, including
15 reasonable attorney's fees, investigation fees, and costs and expenses of the action.

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

18 **23-10-03. License required - Application.**

- 19 1. A person may not establish, maintain, change use, mix use, or enlarge a mobile home
20 park, recreational vehicle park, or campground in this state without first obtaining a
21 license from the department.
- 22 2. The application for the license must be made in writing to the department on forms
23 furnished by the department, accompanied by the required fee, and must state the
24 physical address of the proposed location and type of the mobile home park,
25 recreational vehicle park, or campground, ~~the~~ and include:
- 26 a. Evidence of approval from local officials as to the proposed mobile home park,
27 recreational vehicle park, or campground applicant's compliance with local zoning
28 laws, ordinances, or regulations for the physical address for its intended use;
- 29 b. The proposed water supply, ~~the~~including how water supply fee services are
30 assessed or metered;
- 31 c. The proposed method of sewerage and garbage disposal; ~~and such other~~

- 1 d. Other information as ~~may be~~ required by the department. ~~Application forms must~~
2 ~~be prepared by the department and distributed upon request.~~
- 3 3. Upon a change of ownership, a new owner shall obtain a license within thirty days
4 from the date of sale. Failure of the owner to obtain licensure within thirty days from
5 the date of sale may result in disciplinary action against the owner for operating
6 without a license.
- 7 4. The department may not issue a license under this section if the proposed mobile
8 home park, recreational vehicle park, or campground would prevent, interfere, or
9 restrict proposed private development that is actively being pursued.
- 10 4.5. The department shall waive the license fee and inspection requirement for any mobile
11 home park, recreational vehicle park, or campground owned by the state, a
12 municipality, or a ~~nonprofit organization~~ political subdivision. The department shall
13 waive all or a portion of the license fee for any mobile home park, recreational vehicle
14 park, or campground that is subject to local sanitation, safety, and inspection
15 requirements accepted by the department under section 23-10-02.1. ~~A prorated annual~~
16 ~~license fee may be charged for new mobile home parks, recreational vehicle parks,~~
17 ~~and campgrounds.~~ The department may adopt rules establishing the amount and the
18 procedures for the collection of annual license and inspection fees. The fees must be
19 based on the cost of reviewing construction plans, conducting preoperational, routine,
20 and complaint inspections, followup and reinspection, and necessary enforcement
21 action. ~~License fees~~ Fees collected pursuant to ~~under~~ this section must be deposited in
22 the department's operating fund in the state treasury and any expenditure from the
23 fund is subject to appropriation by the legislative assembly.

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

26 **23-10-04. Inspection.**

27 The department ~~shall~~ may inspect the premises as soon as practical after receiving an
28 application for a mobile home park, recreational vehicle park, or campground license. If the
29 department is satisfied from the application ~~and/or~~ inspection that the mobile home park,
30 recreational vehicle park, or campground will not be a source of danger to the health and safety
31 of the occupants or the general public, the department shall notify the applicant of approval of

the application and of the amount of the license fee. The department must have access to and may inspect mobile home parks, recreational vehicle parks, and campgrounds at reasonable 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 transferability**Licenses 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.

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

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

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

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

~~**Mobile home park tenant relations.**~~

- ~~1. A mobile home park owner shall provide a tenant with a summary outlining the tenant's lease and the rights and obligations of the tenant and mobile home park owner under state law. The department shall create forms for the administration of this section.~~

- ~~2. A notice of intent to evict a tenant from a mobile home park under section 47-32-02 must include clear, bold face language stating:
"You do not have to vacate immediately. You have the right to remain until a court issues an eviction order."~~
- ~~3. A mobile home park may not charge a monthly late fee of more than ten percent of the monthly rent. In addition to the monthly late fee, a mobile home park may not charge a daily late fee of more than five dollars per day.~~
- ~~4. A mobile home park may not charge a fee for a utility without an individual meter for each mobile home.~~
- ~~5. The department shall adopt rules to:
 - ~~a. Enforce this section.~~
 - ~~b. Establish the maximum fee for a nonsufficient funds check.~~
 - ~~c. Enforce the penalty for removal or tampering with a properly functioning smoke alarm, smoke detector, or carbon monoxide alarm.~~
 - ~~d. Enforce the violation of a written pet agreement or rule relating to pets in a facility.~~
 - ~~e. Enforce penalties for the abandonment or relinquishment of a dwelling unit during a fixed term tenancy without cause.~~
 - ~~f. Enforce penalties for noncompliance with written rules or policies of the mobile home park.~~
 - ~~g. Create requirements for mobile home park owners to document when fees are assessed for issues of noncompliance.~~
 - ~~h. Ensure all rent payments are properly applied to the correct property owner, and that any change to how payments are applied is communicated clearly to tenants.~~
 - ~~i. Require mobile home park owners to provide tenants with clear instruction on the acceptable methods to pay rent and any fees that accompany a method of payment.~~~~
- ~~6. The department shall enforce this section and may assess a maximum civil penalty of ten thousand dollars per violation. In addition to assessing a penalty, the department may order the removal of lease terms that violate this section. A person assessed a~~

~~penalty under this section has the right to appeal the department's order under chapter
28-32.~~

SECTION 8. AMENDMENT. Section 47-10-28 of the North Dakota Century Code is amended and reenacted as follows:

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

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

- 1 g. Provide each tenant with the name, address, and telephone number of the legal
2 entity that owns the mobile home park; and
3 h. Provide the telephone number of any existing property manager or designated
4 site agent.

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

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

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

29 ~~4.5.~~ A person that owns or purchases an existing mobile home park shall provide a tenant
30 advance written notice of any modifications to park rules and regulations addressing

1 sanitation and safety concerns at least thirty days before the date the modifications
2 take effect.

3 ~~5-6.~~ A person that owns or purchases an existing mobile home park shall provide a tenant
4 advance written notice at least thirty days before implementing a rule or regulation
5 regarding the removal of a tongue hitch, or any other modification to the dwelling unit
6 to comply with state or federal housing or financing requirements.

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

10 ~~7-8.~~ A person that purchases an existing mobile home park may not increase the monthly
11 tenant rental obligation for six months if the rental amount was increased within the
12 sixty-day period before the date the new owner acquired ownership of the park. Any
13 month-to-month tenancy agreement must provide a minimum of ninety days' notice to
14 the tenant before any rent increase is effective.

15 ~~8-9.~~ A person that owns or purchases an existing mobile home park may purchase utility
16 services, including water and sewer services on behalf of a tenant, and include the
17 amount in the monthly rental obligation or bill the tenant as a separate charge based
18 on actual usage. An owner may not charge a tenant more than the actual cost per unit
19 amount paid by the landlord to the utility service provider, except for a reasonable
20 administrative fee that may not exceed three dollars. An owner may not charge or
21 back charge for the utility services of a tenant paying for the services as a portion of
22 the tenant's monthly rental obligation, unless the cost of providing the services
23 increases. If the cost of providing utility services increases, an owner of a mobile home
24 park may charge a tenant a reasonable amount to cover the increased cost of
25 providing the service. A mobile home park may not charge a fee for a utility without an
26 individual meter for each mobile home. The owner shall provide the tenant access to
27 the records of meter readings taken at the mobile home lot of the tenant.

28 10. A mobile home park owner shall provide a tenant with a summary outlining the
29 tenant's lease and the rights and obligations of the tenant and mobile home park
30 owner under state law.

1 11. A notice of intent to evict a tenant from a mobile home park under section 47-32-02
2 must include clear, boldfaced language stating: "You do not have to vacate
3 immediately. You have the right to remain until a court issues an eviction order."

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

7 ~~9-10-13.~~ A person that violates a provision of this section is subject to a civil penalty not less
8 than two thousand five hundred dollars but not exceeding the greater of ten thousand
9 dollars or actual damages, plus actual attorney's fees and costs.

10 ~~10-11-14.~~ A mobile home park license, issued under chapter 23-10, may be suspended by the
11 district court of the county where the mobile home park is situated for a violation of this
12 section. The holder of the mobile home park license must be assessed a civil penalty
13 for each day the holder's license remains suspended. The amount of the daily penalty
14 is equal to half of the total rent listed on the rent roll for the mobile home park divided
15 by the number of days in that month. The license holder must prove each violation has
16 been remedied and has satisfied all civil penalties assessed before the license
17 holder's license may be reinstated. The district court has discretion over the terms to
18 be satisfied before a license is reinstated. If a license holder fails to comply with the
19 terms of the district court's order, the district court may revoke the holder's license. All
20 park tenants must be allowed to continue to reside in the mobile home park through
21 the duration of the license suspension, unless the department of health and human
22 services takes further disciplinary action against the license under chapter 23-10.
23 During the period of suspension, the license holder or the license holder's agent may
24 not modify the park rules or regulations, modify any tenant's rental arrangement,
25 increase any tenant's rental rate, or terminate any tenant's lease without cause.

26 ~~11-12-15.~~ In a dispute between a landlord and a tenant under this section, the district court of the
27 county in which the dispute arose has original jurisdiction over the dispute relating to
28 the suspension of a license. For the recovery of civil damages under
29 subsection ~~9-10-13~~, the tenant may elect to commence the action in small claims court
30 or district court. If an action between a landlord and tenant is commenced, the tenant
31 shall continue paying rent and comply with all park rules and regulations in effect at

1 the time the action was commenced. During a pending action under this section, the
2 license holder or the license holder's agent may not modify the park rules or
3 regulations, modify the tenant's rental arrangement, increase a tenant's monthly rental
4 rate, or terminate a tenant's lease without cause.

5 **SECTION 9.** A new section to chapter 47-32 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Defense to an eviction from a mobile home park.**

8 During an eviction proceeding against a tenant of a mobile home park, a tenant may
9 present a defense that the landlord violated a provision of section 47-10-28. If the court finds
10 the landlord violated a provision section 47-10-28, the court may not order an eviction. In a
11 second or subsequent eviction proceeding, a tenant only may raise violations that arose after a
12 prior order between the parties was entered, or violations that were unknown to the court at the
13 time of the prior order.

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

2025 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

SB 2385
2/11/2025

A bill relating to receivers for mobile home parks, annual ownership information for mobile home parks, mobile home park tenant relations, and a defense to an eviction from a mobile home; and relating to licensure and regulation of mobile home parks; and to provide a penalty.

10:41 a.m. Chairman Barta opened the hearing.

Members present: Chairman Barta, Vice-Chair Boehm, Senator Klein, Senator Kessel, Senator Enget

Discussion Topics:

- Language changes and defense to evictions
- Homeowner protection timeline

10:41 a.m. Committee discussion on the proposed language changes in Section 9 of the bill about court ordered evictions.

10:47 a.m. Senator Kessel moved a Do Pass As Amended with LC# 25.1016.02001 voted on 2/10/25.

10:47 a.m. Senator Klein seconded the motion.

Senators	Vote
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Mark Enget	Y
Senator Greg Kessel	Y
Senator Jerry Klein	Y

Motion passed 5-0-0.

Senator Kessel will carry the bill.

10:50 a.m. Chairman Barta closed the hearing.

Audrey Oswald, Committee Clerk

**REPORT OF STANDING COMMITTEE
SB 2385**

Industry and Business Committee (Sen. Barta, Chairman) recommends **AMENDMENTS** ([25.1016.02001](#)) and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2385 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

2025 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2385

2025 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

SB 2385
3/18/2025

A BILL for an Act to create and enact a new chapter to title 23, a new section to chapter 23-10, and a new section to chapter 47-32 of the North Dakota Century Code, relating to receivers for mobile home parks, annual ownership information for mobile home parks, mobile home park tenant relations, and a defense to an eviction from a mobile home; to amend 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 North Dakota Century Code, relating to licensure and regulation of mobile home parks; and to provide a penalty

3:36 p. m. Chairman Warrey opened the meeting.

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

Discussion Topics:

- Owner's license
- Contact information
- Penalties without a license
- Addressing tenant-landlord rights

3:36 p.m. Senator Bob Paulson, District 3, Minot, ND, introduced, testified and submitted testimony #42899.

3:54 p.m. Julie N. Wagendorf, Health Response and Licensure, ND Department of Health and Human Services, testified in favor and submitted testimony #42377.

4: 30 p.m. Allyson Hicks, Assistant Attorney General, General Counsel ND Department of Health and Human Services, Office of the ND Attorney General testified in favor.

4:36 p.m. Casey Chapman. Attorney, Bismarck and Fargo, ND, testified in opposition and submitted testimony #42916 and #42917.

4:48 p.m. Robbie Pratt, Owner, Havenpark Communities, Orem, UT, testified in opposition and submitted testimony #42604.

Additional written testimony:

Liza Andrew, Bismarck, ND, submitted testimony in favor #42706.

Michael D. Connelly, Bismarck, ND, submitted testimony in favor #42799.

5:04 p.m. Chairman Warrey closed the meeting.

Diane Lillis, Committee Clerk



Health & Human Services

Testimony
Senate Bill No. 2385
House Industry, Business, and Labor Committee
Representative, Warrey
March 18, 2025

Chairman Warrey, and members of the House Industry, Business, and Labor Committee, I am Julie Wagendorf, Director of Food and Lodging with the Department of Health and Human Services (Department). I appear before you today to testify in support of Senate Bill No. 2385.

The Department supports a regulatory framework with effective enforcement mechanisms to ensure that every mobile home park (MHP) operates with strict regard for the health, safety, and comfort of its occupants. The Department is charged by N.D.C.C. § 23-10-03 with licensing mobile home parks in the state of North Dakota. As part of the licensure process and in response to new construction, expansion, or a change in the use, the Department performs a plan review and a preoperational inspection of the MHP before it operates and routinely thereafter, and in response to complaints. The MHP program is unique for the Department as other program areas, such as lodging establishments, recreational vehicle parks, and campgrounds, serve transient guests in the realm of hospitality and recreational purposes, and do not require regulation of residential property.

Section 1

Sections 1 and 7 of Senate Bill 2385 reinstate the authority of the Department to revoke a license due to noncompliance with state law and rules adopted by the Department. During the 2023 legislative session, this authority was removed from the Department. The challenge with

revoking a license as a form of disciplinary action of the license holder is that this action results in an MHP operating without a license which is an infraction of law and inevitably leads to evictions of tenants. Section 1, lines 15-20, on page 1, and lines 1 through 24 on page 2, is a new section that includes a receivership. This mechanism of enforcement allows an MHP to continue operating when a license is revoked by the Department, protecting rule-abiding tenants from eviction, disciplines the license holder violating the law from collecting revenue on lease rent, and engages the court system to assist in the decision-making.

Section 2

During the 2023 legislative session, the Department worked with legislative committees and sub-committees to add a new provision in law to require annual business ownership information. The authority was added in N.D.C.C. § 23-10-06.2 and includes a civil penalty for violation of this section. This one provision in law added significant time to the Department, issuing 121 warning letters and 15 orders to pay civil penalties.

At the time N.D.C.C. § 23-10-06.2 was enacted in law, the Department licensed 177 of the total 259 MHPs in the state or approximately 60%. Of the 177 MHPs, approximately 40% of the MHP owners licensed by F&L had mailing addresses listed out of state; and 83% of the out-of-state owners are listed as LLCs. The remaining 61% of MHPs that are licensed by the Department have mailing addresses in the state, and 35% are listed as LLCs. The number of licensed MHPs changing ownership tripled in 2024, from 15 compared to 5 in the previous two years. Most changes in ownership are not reported to the Department until several months after the point of sale, requiring the Department to expend time and resources to locate the new owner, send certified notices of violations for

operating without a license, and engage in settlement agreements to achieve compliance in law. These enforcement actions increased significantly in the current biennium.

Section 2, lines 27 – 30 on page 2, and lines 1-15 on page 3 move the requirement for annual business ownership to a new section in law to improve accessibility and help license holders understand the requirement.

Section 3

The proposed changes in section 3 of this bill amend Section 23-10-03 of the North Dakota Century Code to add additional enforcement mechanisms and requirements for license applications and provide general housekeeping. Proposed changes to paragraph 2, lines 12-31, on page 3, provide and add a requirement for the license applicant to submit local zoning approval for the intended use of the physical location of the property. This provision will ensure the MHP applicant has permission to construct a park by local zoning and building authorities before or by the time they apply for a license to operate an MHP.

Lines 29-30 will require the applicant to describe plans for water utilities and water meter installation of the park with the application and plan review submittal.

Paragraph 3, starting on line 3, page 4 provides a 30-day-grace period for new MHP owners to submit complete license applications to the

Department to avoid disciplinary action for operating without a license.

Paragraph 5, lines 10 – 21, page 4, removing the license and inspection requirement of the Department for any park owned by a political

subdivision. N.D.C.C. § 23-10-02.1 authorizes the Department to accept local enforcement and inspections. The burden of the Department and

operational costs for inspecting a park owned by a political subdivision should incur a license fee. Since this license fee is waived, the Department does not have operational costs to inspect parks owned by a political subdivision. Furthermore, this provision in law is intended to promote local control and, therefore, requiring the state to conduct inspections as a form of regulation contradicts the intent of local control. The provision to waive a license fee for a non-profit organization is removed. Line 18, page 4, adds the authority for the Department to adopt rules establishing inspection fees needed for a follow-up inspection and reinspection due to repeat violations and noncompliance.

Section 4

Section 4, line 27, page 4, replaces 'shall' with 'may,' affording the Department discretion in spending operational expenses in staff time and travel costs to inspect after receiving an application for an existing MHP if an inspection was recently conducted and the assessment at the time of the most recent inspection in addition to review of compliance history, does not result in concern over the health and safety of the occupants or the general public.

Section 5

Section 5, lines 8-10, page 5, is mostly housekeeping and moves language to Section 3 of the bill under License Required - Application.

Section 6

Section 6, lines 15-31, on page 5, and lines 1-3 on page 6, removes license transferability and moves language on annual business ownership into a new section 2, see page 2.

Section 7

Section 7, line 8, on page 6, reinstates the authority to revoke an MHP license as previously explained in coordination with a receivership outlined in Section 1 of the bill. Lines 19 changes the criminal violation of law from an infraction to a Class B misdemeanor. Paragraph 3, lines 20-24, authorizes the Department to assess a civil penalty for operating without a license.

Section 8

Section 8, pages 8-12, was amended by the Senate Industry and Business Committee to move sections relating to landlord-tenant disputes, rental fee and late fee disputes, and evictions to Title 47 of the North Dakota Century Code, which are civil matters traditionally handled by the district courts. As a result of this amendment, a fiscal note is no longer needed.

Section 9

Section 9, lines 5-13, on page 12, also was amended by the Senate and added to address tenant-landlord rights throughout and during eviction proceedings litigated in court.

This concludes my testimony. I would be happy to try to answer any questions the committee may have. Thank you.

My name is Robbie Pratt and I am the CEO of Havenpark Communities, an owner and operator of mobile home parks nationwide. We own three mobile home parks totaling about 900 home sites, all located in Bismarck. SB 2385 is a well-intentioned bill, but it creates some unintended consequences and infringes on the rights of property owners in North Dakota that will discourage investment into mobile home parks across the state. Over the past 5 years, my company has invested over \$2M back into the three properties we currently own in the state. These three parks, like so many mobile home parks in North Dakota, were built in the 1960s and 1970s and were in need of investment upon purchase. Without that investment, these parks were at risk of being redeveloped, which would have resulted in the tragic displacement of hundreds of North Dakota families and seniors. So, I am particularly concerned when I hear laws, however well-intentioned, that might discourage that future investment.

Under current law, a district court may suspend or even revoke the license of a mobile home park for violations of existing mobile home park law in North Dakota. The civil penalty in that scenario is severe to the owner or operator of a mobile home park: They are fined half the revenue they charge residents, pro-rata, every day they operate without a valid license. No operator can withstand that fine structure for very long as operating and financing costs almost always exceed more than half the revenue of a given property, leaving a property owner operating at a loss until that operating license is reinstated. This is enough to deter the behavior of operating without a license. But for added motivation, this bill allows the Department to assess a \$100/ day civil fine up to \$10,000 for operating without a valid license on top of the above financial penalty.

But the proposed bill goes even further to punish mobile home park operators: It introduces criminal penalties on top of the financial penalties by stating that any operator of a mobile home park who operates without a valid license or under a suspended license is guilty of a Class B Misdemeanor. Unless carefully controlled, this alarming policy will dramatically increase the risk of owning and operating a mobile home park in North Dakota and will drive much needed capital investment from the state resulting in worse living conditions for the residents of mobile home parks in the state. It is not unreasonable for the state to pursue criminality as a last resort if an operator of a mobile home park is completely unresponsive to any serious violations that might endanger the residents, however, there should be an escalation process, a period to remedy, and above all, criminality should never be imposed when the operator is working in good faith with the department toward remedying violations. It is unclear that this is the intent with the bill as currently written. Under the present text of the bill, criminality could be assigned to an operator simply for a lapse in communication due to employee turnover or a paperwork oversight or error. What if someone at the department has a personal grudge against a given operator and simply denies the operating license? There is not presently due process outlined

to challenge that decision. These are all scenarios that could play out under the proposed present language of this bill.

Additionally, the language describing the Right of First Refusal of the residents to purchase a mobile home park themselves is confusing. I was recently told by bill supporters that the intent was simply to give the residents time to obtain financing if the offer was accepted by the owner. If that is the case, that should be no problem to anyone. However, the way it currently reads suggests that whether tenants obtain a signed contract from an owner or not, they have a 90-day right to try and get financing and persuade the owner of a sale before any other for-profit group is allowed to purchase the property. If the current 90-day lockout ROFO language stands, it would simply be dragging out the transaction time for mobile home parks in North Dakota and would reduce liquidity and property rights for the owners.

Finally, there is a hole in the existing law. Chapter 23-10 Sec 3.4 states: “The department may not issue a license under this section if the proposed mobile home park...would prevent, interfere, or restrict proposed private development that is actively being pursued.” That is highly problematic unless two things are true. First, eminent domain fair market pricing must come into play for the property owner in this situation. An operating license should not be denied until a fair-market price per eminent domain laws, has been issued and the deal has been transacted. Second, we need to think about those residents. Where are they going to go if a park is redeveloped? Most cities in North Dakota have little, if any, vacant sites in their existing mobile home parks. This means that the developer paying the eminent domain price, not only should pay the property owner their fair market price, but they also need to pay to have those homes relocated to somewhere else in the area – whether another mobile home park, private land, or give a lump sum for those residents to live in some other type of housing. We should avoid scenarios that would simply displace potentially hundreds of North Dakota families and seniors from their housing simply because of new proposed private development.

Thank you,

Robbie Pratt

My name is Liza Andrew and I support SB 2385.

As a young person just starting out in life renting was the most reasonable option for me. What I imagined that would entail was much different from what I experienced. I am now a 23 year old who is essentially for the moment financially ruined thanks to the dirty business practices of Valley Rental. Although I rented from an apartment, mobile home parks are facing much the same struggles.

Out of state investment groups buy up properties in North Dakota and then proceed to abuse their power. And tenants are powerless to fight back. Mobile home owners face the same issues apartment renters do comply or be homeless.

Tenants are continuously told that if they are unhappy then they can move. Where? To another property owned by another out of state investment group? To suffer the same abuse or worse?

Or we are told to get a lawyer. That's difficult when there are no lawyers who will represent us tenants. We are left to ourselves to advocate for ourselves in small claims. And in order for us to be successful in that area we need clear cut, strict guidelines for both parties to follow.

Cooperations need to be held accountable. And SB 2385 has the means to do that. Businesses need to be ethical or suffer consequences. Without consequences, businesses are the ones that run society. And the effects of that can be substantial over time.

Please do pass SB 2385.

Thank you.

Chair and Members of the [House Industry, Business and Labor](#)

Please consider DO PASS recommendation for SB 2385

My name is Mike Connelly, and I have been a citizen advocate for fellow citizens throughout the state of North Dakota regarding investment companies taking over sales of manufactured home park properties since 2017. Although, I am currently an advocate as a local elected official. I want to make it clear that I am only representing my perspective and NOT in any capacity is an official stance of any organization or entity.

I have already submitted testimony both written and in person when this bill was before the Senate and would encourage you to refer to that as it has more detailed content. In my in-person testimony, I specifically spoke in relation to many of the questions Senators raised that would not appear in my written version.

Summary recommendation is to encourage a DO PASS. International and out of state investment companies have placed hardships on states and communities all over the United States. Affordable housing without government subsidy is quickly becoming a non-existent reality and homelessness in Bismarck is up 26% in the last 4 years and 16% nationally in the last year.

Passing 2385, will provide us more teeth to hold manufactured home park ownership accountable to compliance to our state laws, whilst NOT having to compromise substantial numbers of residents to move on short notice.

Mike Connelly

Citizen Advocate Bismarck ND

7-1-400-1839

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.

Good afternoon, Mr. Chairman, and members of the Committee.

My name is Casey Chapman. I am an attorney with offices in Bismarck and Fargo. I appear before you today as the representative for Dan Frank, who is the owner of two mobile home parks in Bismarck and who has concerns about the current wording in Senate Bill 2385. I speak to you today in opposition to portions of that bill.

Some background on Dan's business will be helpful. Dan is the owner of two relatively small mobile home parks in Bismarck, which he has operated for many years. Most of the mobile homes are older single-wide homes, which Dan owns. These mobile homes accommodate many people who benefit from government assistance programs and who presumably enjoy a free-standing home, rather than a second-floor apartment. Located in an older section of Bismarck, his parks are not fancy, but they are functional. There are some residential areas near the parks but there is also commercial development in the area. One of the parks is across the street from a nonprofit which assists the needy, including the homeless. Unlike many of the larger mobile home parks, these parks offer basic housing for people who need a place to live.

This is not the story of a large out of state mobile home park owner. Dan is a "hands on" owner who oversees the maintenance of the mobile homes and the parks. He has taken many steps to ensure the habitability of these mobile homes, in spite of their age. In compliance with assistance programs which benefit some tenants, the applicable mobile homes are subject to inspection. He also cooperates with, and meets with, the City of Bismarck in an effort to maintain compliance with applicable ordinances. I know this to be a fact, because I recently attended one of those meetings. Given the location of the parks, they are sometimes vulnerable to break-ins if a mobile

home is vacant. As an example, during the meeting which I attended, the City representatives offered Dan a suggestion for an additional way to securely board windows and doors on vacant homes against intruders.

What is the relevance of this background, one might ask? The reality is that Senate Bill 2385, as now worded, poses a concern for Dan and his mobile home parks and presumably for others in his situation.

Certainly, the need for oversight in licensing is an important government function. The existing provisions of Section 23-10-12, North Dakota Century Code, provided the Department of Health and Human Services with the authority to suspend the license of a mobile home park. With the proposed changes under Section 7 of Senate Bill 2385, the Department will have the authority to revoke the license of a mobile home park. That authority is not unreasonable in the effort to protect North Dakota citizens. However, the concern is the manner in which revocation is achieved. Dan, on behalf of himself and others in his position, asks for an adjustment in the process which can lead to revocation. We remember that Dan's parks, and his mobile homes, are old, are subject to occasional intrusion and vandalism, and accommodate people who need housing. There are times when maintenance and repairs will be needed. Dan asks for a fair opportunity to meet any concerns. Therefore, we request an amendment to the wording in Section 7, as follows:

- a. The law says that the Department must give reasons prior to a revocation.

We propose that the word "specific" be added so that Dan has no doubt regarding the needed action. If the mobile home park's license is at risk, fairness requires that any claimed violations must be specifically identified.

- b. In addition, we propose that the law be adjusted so that the time allowed for correction must be reasonable "under all of the circumstances". Whether hampered by the unpredictable circumstances of weather or by the difficulties associated with procuring labor and materials for improvements or repairs, mandated timelines could become difficult to meet. However, where the existence of the mobile home park is threatened, this slight enhancement of procedural requirements is not unduly burdensome.

The proposed language in Section 1 of Senate Bill 2385 is triggered by a revocation of a mobile home park license. Under this language, the Department, upon revocation of a license, is authorized to file a petition with the court to put the mobile home park into receivership. In very basic terms, a receivership means that the court orders the complete "take over" of the business under the authority of a court-ordered manager. All expenses of the receivership are the financial burden of the business. Over the course of almost 48 years of practicing law, I can tell you that, especially with small businesses such as a smaller mobile home park, the imposition of a receivership, along with its substantial administrative expense, could easily result in the destruction of the business. Correction, not destruction, should be the hallmark of this legislation. If there is work to be done to bring the mobile home park back into compliance, with the hope of re-licensure, it is only fair to give the owner the first opportunity to complete the work. Our proposal is not to eliminate the receivership model but instead to provide more protection for the property owner, who has built this private business with investment and hard work. Thus, we propose the following amendments to Section 1 of Senate Bill 2385:

c. First, set the required standard of proof as “clear and convincing”. In a typical legal proceeding, the person requesting action by the court need only show that it is more probable than not, that a particular circumstance exists. By requiring a showing of clear and convincing evidence, the property rights of the owner are better protected, and receivership will only be imposed in compelling circumstances.

d. Second, we ask that the law clearly requires the judge to hold a full hearing so that the judge can make an independent determination on the facts. Often, when a state agency, such as the Department, makes a decision, the law, Section 28-32-46 of the North Dakota Century Code, limits the ability of the judge to dig into the facts. Instead, the judge is required to accept, with very limited exceptions, the findings of the Department. With this proposed amendment, it will be clear that the Department is required to present evidence before the judge to justify its request for a receivership. Although the mobile home park owner will be better protected, the court will retain authority, where clearly needed, to impose the receivership.

Members of the Committee, government has the right to regulate but, in pursuit of that regulation, there is a need to assure fairness to the business owner. These proposed amendments are intended to enhance that fairness.

Respectfully submitted,

Casey Chapman
Chapman & Chapman, P.C.
Attorney for Dan Frank
701-258-6030
chapmanlaw@chaplawnd.com

PROPOSED AMENDMENTS
 SUBMITTED BY CASEY CHAPMAN ON BEHALF OF DAN FRANK
 MARCH 18, 2025

ND SB2385
 Licensure and regulation of mobile home parks; and to provide a penalty

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA

SECTION 1.

A new chapter to title 23 of the North Dakota Century Code is created and enacted as follows: Definitions For purpose of this chapter: 1. "Commissioner" means the commissioner of the department. 2. "Department" means the department of health and human services. Conditions for appointment of receiver. 1. When the department revokes the license of a mobile home park, the department may file a petition with the district court to place the mobile home park under the control of a receiver for repeated or serious violations of chapter 23-10 or the administrative rules of the department, or to protect health or safety. 2. The court may grant the petition after finding by clear and convincing evidence: a. The mobile home park committed, or is continuing to commit repeated or serious violations of chapter 23-10 or the administrative rules of the department; or b. Health or safety would be seriously threatened if a condition existing at the time the petition was filed continues. Appointment of receiver, and c. for claims under both subparagraphs a. and b. above, the mobile home park was provided both a specific reason for the threatened revocation and a reasonable time under all the circumstances to complete the correction. In considering the petition, the department shall be required to present evidence in a court hearing which is sufficient to sustain the petition by clear and convincing evidence, and, unless the mobile home park consents in a writing filed with the court, the provisions of Section 28-32-46, North Dakota Century Code, shall not apply to proceedings on the petition. If the court grants the petition to place the mobile home park into receivership, the court shall appoint the commissioner as receiver. The commissioner may designate a qualified individual or a nonprofit organization to execute the receivership. An individual designated to execute the receivership may not be employed by this state or a political subdivision. The receiver shall use the income and assets of the mobile home park to maintain and operate the mobile home park and to attempt to correct the violations of chapter 23-10, the administrative rules of the department, or other condition which constitutes a threat to health or safety. The receiver may not liquidate the assets of the mobile home park. Termination of receivership. The receivership terminates when: 1. The receiver and the court certify the conditions that prompted the receivership are corrected; 2. The license to operate the mobile home park is restored; 3. A new license to operate a mobile home park is issued; or 4. The owner of the mobile home park discontinues operation and the residents of the mobile home park have secured other appropriate housing. Accounting. Upon termination of the receivership, the receiver shall render a complete accounting to the court and shall dispose of surplus funds as the court directs.

SECTION 7.

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

23-10-12. Revocation or suspension of license - Penalty for operating without license. 1. The department may deny an application or take disciplinary action, up to and including suspension or revocation of a license for a mobile home park, recreational vehicle park, or campground, ~~and revocation of a license for a recreational vehicle park or campground~~, against any applicant or licensee upon the failure of the applicant or licensee to comply with this chapter or with any of the rules and regulations promulgated by the department. 2. Before the department takes disciplinary action against a license, the department shall notify the licensee in writing of the ~~specific~~ reason disciplinary action is being considered and shall provide a reasonable amount of time ~~under all the circumstances~~ for correction to be made. Action taken under the authority granted in this section must comply with chapter 28-32. Any person who maintains or operates a mobile home park, recreational vehicle park, or campground without first obtaining a license, or who operates the same during suspension of the license, is guilty of ~~an infraction~~ a class B misdemeanor. 3. The department may assess a civil penalty of one hundred dollars per day against a person who maintains or operates a mobile home park, recreational vehicle park, or campground without first obtaining a license. The civil penalty may not exceed ten thousand dollars. The proceeds of the civil penalty must be transferred to the department's general operating fund.

2025 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

SB 2385
3/25/2025

A BILL for an Act to create and enact a new chapter to title 23, a new section to chapter 23-10, and a new section to chapter 47-32 of the North Dakota Century Code, relating to receivers for mobile home parks, annual ownership information for mobile home parks, mobile home park tenant relations, and a defense to an eviction from a mobile home; to amend 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 North Dakota Century Code, relating to licensure and regulation of mobile home parks; and to provide a penalty

4:02 p. m. Chairman Warrey opened the meeting.

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

Member Absent: Representative Schatz

Discussion Topics:

- Right of first refusal
- License transfer
- Property license requirements

4:03 p.m. Lacee Bjork Anderson. Lobbyist, representing Havenpark Communities, presented amendment language #43801.

4:13 p.m. Allyson Hicks, Assistant Attorney General, Office of the ND Attorney General representing the ND Health and Human Services, amendment discussion.

4:31 p.m. Chairman Warrey closed the meeting.

Diane Lillis, Committee Clerk

Here are our proposed edits to SB 2385:

Remove Criminal Penalties for Operating Without a License

Amend Section 23-10-12 as follows:

- 3. Any person who maintains or operates a mobile home park, recreational vehicle park, or campground without first obtaining a license, or who operates the same during suspension of the license, is guilty of an infraction. This shall not be classified as a criminal offense.*
- 4. Before revoking or suspending a license, the department must provide written notice of the alleged violation, a minimum 30-day period to cure the violation, and a clear process for appeal. If the operator demonstrates a good-faith effort to comply, additional time may be granted before further enforcement action is taken.*

Clarify Right of First Refusal (ROFR) for Residents

Amend Section 47-10-28(2) as follows:

Before accepting an offer to sell a mobile home park, the owner shall provide residents of the park the right of first refusal to purchase the property. This right applies only when residents submit a qualified, bona fide offer that the owner has accepted in writing. Upon acceptance, the residents shall then have ninety days to obtain financing and complete the transaction. If written offer is not accepted by seller, the owner may proceed with any other sale without delay.

Modify Licensing Restrictions Tied to Private Development

Amend Section 23-10-03(4) as follows:

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

A license may not be denied under this provision unless:

a. The property owner has received fair market compensation consistent with eminent domain standards; and

b. A relocation assistance plan is in place to mitigate the displacement of residents, including funding for relocation to a comparable housing arrangement.

Ensure Fairness in Enforcement Actions

Robbie Pratt

CEO



801.592.8780 | www.havenparkcommunities.com

Mailing | 51 W Center St. STE 600, Orem UT 84057

Offices | [750 E Technology Ave. BLDG F](#) 2nd Floor, Orem UT 84097

2025 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

SB 2385
4/2/2025

A BILL for an Act to create and enact a new chapter to title 23, a new section to chapter 23-10, and a new section to chapter 47-32 of the North Dakota Century Code, relating to receivers for mobile home parks, annual ownership information for mobile home parks, mobile home park tenant relations, and a defense to an eviction from a mobile home; to amend 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 North Dakota Century Code, relating to licensure and regulation of mobile home parks; and to provide a penalty

3:09 p. m. Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chairman Ostlie, Vice Chairman Johnson, Representatives C. Brown, T. Brown, Grindberg, Kasper, Koppelman, D. Ruby, Schauer, Schatz, Vollmer

Members Absent: Representatives Bahl, Finley-DeVile

Discussion Topics:

- Committee Action

3:09 p.m. Representative Kasper proposed an amendment, LC#25.1016.03005, #44594.

3:15 p.m. Representative Schatz moved Adopt Amendment LC #25.1016.03005.

3:15 p.m. Representative Grindberg seconded the motion.

Voice vote-Motion passed.

3:16 p.m. Representative Schatz moved Do Pass as amended.

3:16 p.m. Representative Grindberg seconded the motion.

Representatives	Vote
Representative Jonathan Warrey	Y
Representative Mitch Ostlie	Y
Representative Jorin Johnson	N
Representative Landon Bahl	AB
Representative Collette Brown	N
Representative Timothy Brown	N
Representative Lisa Finley-DeVile	AB
Representative Karen Grindberg	Y

Representative Jim Kasper	AB
Representative Ben Koppelman	N
Representative Dan Ruby	AB
Representative Mike Schatz	Y
Representative Austin Schauer	N
Representative Daniel R. Vollmer	Y

Motion failed 5-5-4.

3:20 p.m. Representative Schatz moved Do Pass as amended.

3:20 p.m. Representative Grindberg seconded the motion.

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

Motion passed 7-3-4

3:22 p.m. Representative Koppelman will carry the bill.

3:22 p.m. Chairman Warrey closed the meeting.

Diane Lillis, Committee Clerk

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

CO
4/2/25
1 of 11

ENGROSSED 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, ~~a new section to chapter 23-10,~~
2 and a new section to chapter 47-32 of the North Dakota Century Code, relating to receivers for
3 mobile home parks, ~~annual ownership information for mobile home parks, mobile home park~~
4 ~~tenant relations~~, and a defense to an eviction from a mobile home; to amend and reenact
5 sections 23-10-03, 23-10-04, 23-10-06, 23-10-06.2, 23-10-12, and 47-10-28 of the North
6 Dakota Century Code, relating to licensure and regulation of mobile home parks; and to provide
7 a penalty.

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

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

11 **Definitions.**

12 For purpose of this chapter:

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

15 **Conditions for appointment of receiver.**

- 16 1. When the department revokes the license of a mobile home park, the department may
17 file a petition with the district court to place the mobile home park under the control of
18 a receiver for repeated or serious violations of chapter 23-10 or the administrative
19 rules of the department, or to protect health or safety.
20 2. The court may grant the petition after finding:

- a. The mobile home park committed, or is continuing to commit repeated or serious violations of chapter 23-10 or the administrative rules of the department; or
- b. Health or safety would be seriously threatened if a condition existing at the time the petition was filed continues.

Appointment of receiver.

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

Termination of receivership.

The receivership terminates when:

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

Accounting.

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

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

~~License - Information required - Penalty.~~

- ~~1. A new owner applying for a mobile home park license under section 23-10-03 and a person applying for a renewal mobile home park license under section 23-10-06.1, shall provide to the department once per calendar year the name, address, and~~

1 ~~telephone number for the mobile home park managers and any individual possessing~~
2 ~~more than a twenty percent ownership interest in the entity subject to the license.~~
3 ~~2. The department may assess a civil penalty not exceeding five thousand dollars for~~
4 ~~each violation of this section thirty days after issuing a notice of noncompliance. The~~
5 ~~civil penalty may be assessed without notice and a hearing. The civil penalty must be~~
6 ~~awarded to the department and deposited into the department's general operating~~
7 ~~fund for use in regulating compliance with this chapter. A person subject to a civil~~
8 ~~penalty pursuant to an order issued under this section may request a hearing before~~
9 ~~the department if a written request is made within ten days after the receipt of the~~
10 ~~order. Upon receipt of a proper and timely request for a hearing, the department shall~~
11 ~~conduct an adjudicative proceeding under this section in accordance with chapter~~
12 ~~28-32, unless otherwise provided for by law. If the department prevails in an~~
13 ~~adjudicative proceeding under this section, the department may assess the~~
14 ~~nonprevailing party for all adjudicative proceeding and hearing costs, including~~
15 ~~reasonable attorney's fees, investigation fees, and costs and expenses of the action.~~

16 **SECTION 2. AMENDMENT.** Section 23-10-03 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **23-10-03. License required - Application.**

- 19 1. A person may not establish, maintain, change use, mix use, or enlarge a mobile home
20 park, recreational vehicle park, or campground in this state without first obtaining a
21 license from the department.
- 22 2. The application for the license must be made in writing to the department on forms
23 furnished by the department, accompanied by the required fee, and must state the
24 physical address of the proposed location and type of the mobile home park,
25 recreational vehicle park, or campground, ~~the~~ and include:
- 26 a. Evidence of approval from local officials as to the proposed mobile home park,
27 recreational vehicle park, or campground applicant's compliance with local zoning
28 laws, ordinances, or regulations for the physical address for its intended use;
- 29 b. The proposed water supply, ~~the~~including how water supply fee services are
30 assessed or metered;
- 31 c. The proposed method of sewerage and garbage disposal; and such other

1 d. Other information as may be required by the department. Application forms must
2 be prepared by the department and distributed upon request.

3 3. Upon a change of ownership, a new owner shall obtain a license within thirty days
4 from the date of sale. Failure of the owner to obtain licensure within thirty days from
5 the date of sale may result in disciplinary action against the owner for operating
6 without a license.

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

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

24 **SECTION 3. AMENDMENT.** Section 23-10-04 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **23-10-04. Inspection.**

27 The department ~~shall~~ may inspect the premises as soon as practical after receiving an
28 application for a mobile home park, recreational vehicle park, or campground license. If the
29 department is satisfied from the application ~~and/or~~ inspection that the mobile home park,
30 recreational vehicle park, or campground will not be a source of danger to the health and safety
31 of the occupants or the general public, the department shall notify the applicant of approval of

1 the application and of the amount of the license fee. The department must have access to and
2 may inspect mobile home parks, recreational vehicle parks, and campgrounds at reasonable
3 times. The department may inspect each mobile home park, recreational vehicle park, and
4 campground in response to a complaint, violation of state law, or on a routine schedule
5 determined by the department.

6 **SECTION 4. AMENDMENT.** Section 23-10-06 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **23-10-06. License issuance –Fee.**

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

13 **SECTION 5. AMENDMENT.** Section 23-10-06.2 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **23-10-06.2. License transferability**~~Licenses not transferable.~~

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

1 adjudicative proceeding under this section, the department may assess the nonprevailing party
2 for all adjudicative proceeding and hearing costs, including reasonable attorney's fees,
3 investigation fees, and costs and expenses of the action. Licenses under this chapter are not
4 transferable.

5 **SECTION 6. AMENDMENT.** Section 23-10-12 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **23-10-12. Revocation or suspension of license - Penalty for operating without license.**

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

28 **SECTION 7. AMENDMENT.** Section 47-10-28 of the North Dakota Century Code is
29 amended and reenacted as follows:

1 **47-10-28. Mobile home park - Ownership - Transfer of ownership - Tenant rights -**
2 **Penalty.**

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

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

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

~~3.4.~~ A person that owns or purchases an existing mobile home park shall provide a tenant advance written notice of any modifications to park rules or regulations at least thirty days before the date the modifications take effect. Except for the rules and regulations under subsections ~~4.5~~ and ~~5.6~~, upon the effective date of modifications to park rules and regulations, an owner shall provide a tenant who owns a dwelling unit that fails to comply with the park rules and regulations written notice of the failure to comply and provide the tenant three months to remedy the failure or vacate the premises before initiating an action for eviction against the tenant. During the three-month period the tenant shall comply with the park rules and regulations that were in effect before the modifications became effective, including the payment of rent and any other financial obligations under the terms of the lease. During the three-month period, if the tenant provides the owner a signed document from a person in the business of relocating mobile homes declaring it is not possible to relocate the tenant's dwelling unit within the three-month period, the three-month period must be extended to a date when the dwelling unit can be relocated or the date that is two months after the end of the three-month period, whichever date occurs first.

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

~~5.6.~~ A person that owns or purchases an existing mobile home park shall provide a tenant advance written notice at least thirty days before implementing a rule or regulation

1 regarding the removal of a tongue hitch, or any other modification to the dwelling unit
2 to comply with state or federal housing or financing requirements.

3 ~~6.7.~~ Mobile home park rules in effect on the date advance written notice regarding
4 modifications is provided to a tenant remain in effect until the date the modified rules
5 or regulations take effect.

6 ~~7.8.~~ A person that purchases an existing mobile home park may not increase the monthly
7 tenant rental obligation for six months if the rental amount was increased within the
8 sixty-day period before the date the new owner acquired ownership of the park. Any
9 month-to-month tenancy agreement must provide a minimum of ninety days' notice to
10 the tenant before any rent increase is effective.

11 ~~8.9.~~ A person that owns or purchases an existing mobile home park may purchase utility
12 services, including water and sewer services on behalf of a tenant, and include the
13 amount in the monthly rental obligation or bill the tenant as a separate charge based
14 on actual usage. An owner may not charge a tenant more than the actual cost per unit
15 amount paid by the landlord to the utility service provider, except for a reasonable
16 administrative fee that may not exceed three dollars. An owner may not charge or
17 back charge for the utility services of a tenant paying for the services as a portion of
18 the tenant's monthly rental obligation, unless the cost of providing the services
19 increases. If the cost of providing utility services increases, an owner of a mobile home
20 park may charge a tenant a reasonable amount to cover the increased cost of
21 providing the service. A mobile home park may not charge a fee for a utility without an
22 individual meter for each mobile home. The owner shall provide the tenant access to
23 the records of meter readings taken at the mobile home lot of the tenant.

24 ~~10.9.~~ A mobile home park owner shall provide a tenant with a summary outlining the
25 tenant's lease and the rights and obligations of the tenant and mobile home park
26 owner under state law.

27 ~~11.10.~~ A notice of intent to evict a tenant from a mobile home park under section 47-32-02
28 must include clear, boldfaced language stating: "You do not have to vacate
29 immediately. You have the right to remain until a court issues an eviction order."

~~12.11.~~ A mobile home park may not charge a monthly late fee of more than ten percent of the monthly rent. In addition to the monthly late fee, a mobile home park may not charge a daily late fee of more than five dollars per day.

~~9.13.12.~~ A person that violates a provision of this section is subject to a civil penalty not less than two thousand five hundred dollars but not exceeding the greater of ten thousand dollars or actual damages, plus actual attorney's fees and costs.

~~10.14.13.~~ A mobile home park license, issued under chapter 23-10, may be suspended by the district court of the county where the mobile home park is situated for a violation of this section. The holder of the mobile home park license must be assessed a civil penalty for each day the holder's license remains suspended. The amount of the daily penalty is equal to half of the total rent listed on the rent roll for the mobile home park divided by the number of days in that month. The license holder must prove each violation has been remedied and has satisfied all civil penalties assessed before the license holder's license may be reinstated. The district court has discretion over the terms to be satisfied before a license is reinstated. If a license holder fails to comply with the terms of the district court's order, the district court may revoke the holder's license. All park tenants must be allowed to continue to reside in the mobile home park through the duration of the license suspension, unless the department of health and human services takes further disciplinary action against the license under chapter 23-10. During the period of suspension, the license holder or the license holder's agent may not modify the park rules or regulations, modify any tenant's rental arrangement, increase any tenant's rental rate, or terminate any tenant's lease without cause.

~~11.15.14.~~ In a dispute between a landlord and a tenant under this section, the district court of the county in which the dispute arose has original jurisdiction over the dispute relating to the suspension of a license. For the recovery of civil damages under subsection ~~9.13.12.~~, the tenant may elect to commence the action in small claims court or district court. If an action between a landlord and tenant is commenced, the tenant shall continue paying rent and comply with all park rules and regulations in effect at the time the action was commenced. During a pending action under this section, the license holder or the license holder's agent may not modify the park rules or

1 regulations, modify the tenant's rental arrangement, increase a tenant's monthly rental
2 rate, or terminate a tenant's lease without cause.

3 **SECTION 8.** A new section to chapter 47-32 of the North Dakota Century Code is created
4 and enacted as follows:

5 **Defense to an eviction from a mobile home park.**

6 During an eviction proceeding against a tenant of a mobile home park, a tenant may
7 present a defense that the landlord violated a provision of section 47-10-28. If the court finds
8 the landlord violated a provision section 47-10-28, the court may not order an eviction. In a
9 second or subsequent eviction proceeding, a tenant only may raise violations that arose after a
10 prior order between the parties was entered, or violations that were unknown to the court at the
11 time of the prior order.

**REPORT OF STANDING COMMITTEE
ENGROSSED SB 2385**

Industry, Business and Labor Committee (Rep. Warrey, Chairman) recommends **AMENDMENTS** ([25.1016.03005](#)) and when so amended, recommends **DO PASS** (7 YEAS, 3 NAYS, 4 ABSENT OR EXCUSED AND NOT VOTING). Engrossed SB 2385 was placed on the Sixth order on the calendar.

25.1016.03005
Title.

Prepared by the Legislative Council
staff for Representative Kasper
April 2, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED 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, ~~a new section to chapter 23-10,~~
2 and a new section to chapter 47-32 of the North Dakota Century Code, relating to receivers for
3 mobile home parks, ~~annual ownership information for mobile home parks, mobile home park~~
4 ~~tenant relations,~~ and a defense to an eviction from a mobile home; to amend and reenact
5 sections 23-10-03, 23-10-04, 23-10-06, 23-10-06.2, 23-10-12, and 47-10-28 of the North
6 Dakota Century Code, relating to licensure and regulation of mobile home parks; and to provide
7 a penalty.

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

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

11 **Definitions.**

12 For purpose of this chapter:

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

15 **Conditions for appointment of receiver.**

- 16 1. When the department revokes the license of a mobile home park, the department may
17 file a petition with the district court to place the mobile home park under the control of
18 a receiver for repeated or serious violations of chapter 23-10 or the administrative
19 rules of the department, or to protect health or safety.
- 20 2. The court may grant the petition after finding:

- 1 a. The mobile home park committed, or is continuing to commit repeated or serious
- 2 violations of chapter 23-10 or the administrative rules of the department; or
- 3 b. Health or safety would be seriously threatened if a condition existing at the time
- 4 the petition was filed continues.

5 **Appointment of receiver.**

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

14 **Termination of receivership.**

15 The receivership terminates when:

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

22 **Accounting.**

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

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

27 ~~**License – Information required – Penalty.**~~

- 28 ~~1. A new owner applying for a mobile home park license under section 23-10-03 and a~~
- 29 ~~person applying for a renewal mobile home park license under section 23-10-06.1,~~
- 30 ~~shall provide to the department once per calendar year the name, address, and~~

1 ~~telephone number for the mobile home park managers and any individual possessing~~
2 ~~more than a twenty percent ownership interest in the entity subject to the license.~~
3 ~~2. The department may assess a civil penalty not exceeding five thousand dollars for~~
4 ~~each violation of this section thirty days after issuing a notice of noncompliance. The~~
5 ~~civil penalty may be assessed without notice and a hearing. The civil penalty must be~~
6 ~~awarded to the department and deposited into the department's general operating~~
7 ~~fund for use in regulating compliance with this chapter. A person subject to a civil~~
8 ~~penalty pursuant to an order issued under this section may request a hearing before~~
9 ~~the department if a written request is made within ten days after the receipt of the~~
10 ~~order. Upon receipt of a proper and timely request for a hearing, the department shall~~
11 ~~conduct an adjudicative proceeding under this section in accordance with chapter~~
12 ~~28-32, unless otherwise provided for by law. If the department prevails in an~~
13 ~~adjudicative proceeding under this section, the department may assess the~~
14 ~~nonprevailing party for all adjudicative proceeding and hearing costs, including~~
15 ~~reasonable attorney's fees, investigation fees, and costs and expenses of the action.~~

16 **SECTION 2. AMENDMENT.** Section 23-10-03 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **23-10-03. License required - Application.**

- 19 1. A person may not establish, maintain, change use, mix use, or enlarge a mobile home
20 park, recreational vehicle park, or campground in this state without first obtaining a
21 license from the department.
- 22 2. The application for the license must be made in writing to the department on forms
23 furnished by the department, accompanied by the required fee, and must state the
24 physical address of the proposed location and type of the mobile home park,
25 recreational vehicle park, or campground, the and include:
- 26 a. Evidence of approval from local officials as to the proposed mobile home park,
27 recreational vehicle park, or campground applicant's compliance with local zoning
28 laws, ordinances, or regulations for the physical address for its intended use;
- 29 b. The proposed water supply, theincluding how water supply fee services are
30 assessed or metered;
- 31 c. The proposed method of sewerage and garbage disposal; and such other

1 d. Other information as may be required by the department. Application forms must
2 be prepared by the department and distributed upon request.

3 3. Upon a change of ownership, a new owner shall obtain a license within thirty days
4 from the date of sale. Failure of the owner to obtain licensure within thirty days from
5 the date of sale may result in disciplinary action against the owner for operating
6 without a license.

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

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

24 **SECTION 3. AMENDMENT.** Section 23-10-04 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **23-10-04. Inspection.**

27 The department ~~shall~~ may inspect the premises as soon as practical after receiving an
28 application for a mobile home park, recreational vehicle park, or campground license. If the
29 department is satisfied from the application ~~and~~ or inspection that the mobile home park,
30 recreational vehicle park, or campground will not be a source of danger to the health and safety
31 of the occupants or the general public, the department shall notify the applicant of approval of

1 the application ~~and of the amount of the license fee~~. The department must have access to and
2 may inspect mobile home parks, recreational vehicle parks, and campgrounds at reasonable
3 times. The department may inspect each mobile home park, recreational vehicle park, and
4 campground in response to a complaint, violation of state law, or on a routine schedule
5 determined by the department.

6 **SECTION 4. AMENDMENT.** Section 23-10-06 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **23-10-06. License issuance ~~–Fee~~.**

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

13 **SECTION 5. AMENDMENT.** Section 23-10-06.2 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **23-10-06.2. License transferability**~~**Licenses not transferable.**~~

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

1 adjudicative proceeding under this section, the department may assess the nonprevailing party
2 for all adjudicative proceeding and hearing costs, including reasonable attorney's fees,
3 investigation fees, and costs and expenses of the action. ~~Licenses under this chapter are not~~
4 ~~transferable.~~

5 **SECTION 6. AMENDMENT.** Section 23-10-12 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **23-10-12. Revocation or suspension of license - Penalty for operating without license.**

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

28 **SECTION 7. AMENDMENT.** Section 47-10-28 of the North Dakota Century Code is
29 amended and reenacted as follows:

1 **47-10-28. Mobile home park - Ownership - Transfer of ownership - Tenant rights -**

2 **Penalty.**

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

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

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

~~3.4.~~ A person that owns or purchases an existing mobile home park shall provide a tenant advance written notice of any modifications to park rules or regulations at least thirty days before the date the modifications take effect. Except for the rules and regulations under subsections ~~4.5~~ and ~~5.6~~, upon the effective date of modifications to park rules and regulations, an owner shall provide a tenant who owns a dwelling unit that fails to comply with the park rules and regulations written notice of the failure to comply and provide the tenant three months to remedy the failure or vacate the premises before initiating an action for eviction against the tenant. During the three-month period the tenant shall comply with the park rules and regulations that were in effect before the modifications became effective, including the payment of rent and any other financial obligations under the terms of the lease. During the three-month period, if the tenant provides the owner a signed document from a person in the business of relocating mobile homes declaring it is not possible to relocate the tenant's dwelling unit within the three-month period, the three-month period must be extended to a date when the dwelling unit can be relocated or the date that is two months after the end of the three-month period, whichever date occurs first.

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

~~5.6.~~ A person that owns or purchases an existing mobile home park shall provide a tenant advance written notice at least thirty days before implementing a rule or regulation

1 regarding the removal of a tongue hitch, or any other modification to the dwelling unit
2 to comply with state or federal housing or financing requirements.

3 | ~~6.7.~~ Mobile home park rules in effect on the date advance written notice regarding
4 modifications is provided to a tenant remain in effect until the date the modified rules
5 or regulations take effect.

6 | ~~7.8.~~ A person that purchases an existing mobile home park may not increase the monthly
7 tenant rental obligation for six months if the rental amount was increased within the
8 sixty-day period before the date the new owner acquired ownership of the park. Any
9 month-to-month tenancy agreement must provide a minimum of ninety days' notice to
10 the tenant before any rent increase is effective.

11 | ~~8.9.~~ A person that owns or purchases an existing mobile home park may purchase utility
12 services, including water and sewer services on behalf of a tenant, and include the
13 amount in the monthly rental obligation or bill the tenant as a separate charge based
14 on actual usage. An owner may not charge a tenant more than the actual cost per unit
15 amount paid by the landlord to the utility service provider, except for a reasonable
16 administrative fee that may not exceed three dollars. An owner may not charge or
17 back charge for the utility services of a tenant paying for the services as a portion of
18 the tenant's monthly rental obligation, unless the cost of providing the services
19 increases. If the cost of providing utility services increases, an owner of a mobile home
20 park may charge a tenant a reasonable amount to cover the increased cost of
21 providing the service. A mobile home park may not charge a fee for a utility without an
22 individual meter for each mobile home. The owner shall provide the tenant access to
23 the records of meter readings taken at the mobile home lot of the tenant.

24 | ~~10.9.~~ A mobile home park owner shall provide a tenant with a summary outlining the
25 tenant's lease and the rights and obligations of the tenant and mobile home park
26 owner under state law.

27 | ~~11.10.~~ A notice of intent to evict a tenant from a mobile home park under section 47-32-02
28 must include clear, boldfaced language stating: "You do not have to vacate
29 immediately. You have the right to remain until a court issues an eviction order."

1 | ~~42.11.~~ A mobile home park may not charge a monthly late fee of more than ten percent of the
2 | monthly rent. In addition to the monthly late fee, a mobile home park may not charge a
3 | daily late fee of more than five dollars per day.

4 | ~~9.13.12.~~ A person that violates a provision of this section is subject to a civil penalty not less
5 | than two thousand five hundred dollars but not exceeding the greater of ten thousand
6 | dollars or actual damages, plus actual attorney's fees and costs.

7 | ~~40.14.13.~~ A mobile home park license, issued under chapter 23-10, may be suspended
8 | by the district court of the county where the mobile home park is situated for a violation
9 | of this section. The holder of the mobile home park license must be assessed a civil
10 | penalty for each day the holder's license remains suspended. The amount of the daily
11 | penalty is equal to half of the total rent listed on the rent roll for the mobile home park
12 | divided by the number of days in that month. The license holder must prove each
13 | violation has been remedied and has satisfied all civil penalties assessed before the
14 | license holder's license may be reinstated. The district court has discretion over the
15 | terms to be satisfied before a license is reinstated. If a license holder fails to comply
16 | with the terms of the district court's order, the district court may revoke the holder's
17 | license. All park tenants must be allowed to continue to reside in the mobile home park
18 | through the duration of the license suspension, unless the department of health and
19 | human services takes further disciplinary action against the license under chapter
20 | 23-10. During the period of suspension, the license holder or the license holder's
21 | agent may not modify the park rules or regulations, modify any tenant's rental
22 | arrangement, increase any tenant's rental rate, or terminate any tenant's lease without
23 | cause.

24 | ~~41.15.14.~~ In a dispute between a landlord and a tenant under this section, the district court of the
25 | county in which the dispute arose has original jurisdiction over the dispute relating to
26 | the suspension of a license. For the recovery of civil damages under
27 | subsection ~~9.13.12~~, the tenant may elect to commence the action in small claims court
28 | or district court. If an action between a landlord and tenant is commenced, the tenant
29 | shall continue paying rent and comply with all park rules and regulations in effect at
30 | the time the action was commenced. During a pending action under this section, the
31 | license holder or the license holder's agent may not modify the park rules or

1 regulations, modify the tenant's rental arrangement, increase a tenant's monthly rental
2 rate, or terminate a tenant's lease without cause.

3 **SECTION 8.** A new section to chapter 47-32 of the North Dakota Century Code is created
4 and enacted as follows:

5 **Defense to an eviction from a mobile home park.**

6 During an eviction proceeding against a tenant of a mobile home park, a tenant may
7 present a defense that the landlord violated a provision of section 47-10-28. If the court finds
8 the landlord violated a provision section 47-10-28, the court may not order an eviction. In a
9 second or subsequent eviction proceeding, a tenant only may raise violations that arose after a
10 prior order between the parties was entered, or violations that were unknown to the court at the
11 time of the prior order.