

**SENATE BILL NO. 2194**

Introduced by

Senator Anderson

Representative Karls

1 A BILL for an Act to amend and reenact subsection 3 of section 47-16-07.1 and section  
2 47-16-07.2 of the North Dakota Century Code, relating to statements of rental property  
3 condition and the application of security deposit toward damages, cleaning, and unpaid rent  
4 upon termination of a rental agreement.

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

6 **SECTION 1. AMENDMENT.** Subsection 3 of section 47-16-07.1 of the North Dakota  
7 Century Code is amended and reenacted as follows:

8 3. a. A lessor may apply security deposit money and accrued interest upon termination  
9 of a lease towards:

10 a. (1) Any damages the lessor has suffered by reason of deteriorations or injuries  
11 to the real property or dwelling by the lessee's pet or through the negligence  
12 of the lessee or the lessee's guest.

13 ~~b.~~ (2) Any unpaid rent.

14 e. (3) The costs of cleaning or other repairs which were the responsibility of the  
15 lessee, and which are necessary to return the dwelling unit to its original  
16 state when the lessee took possession, reasonable wear and tear excepted.

17 b. Application of any portion of a security deposit toward items under subdivision a  
18 and not paid to the lessee upon termination of the lease must be itemized:

19 (1) Estimated by the lessor and immediately provided to the lessee on a form  
20 signed by both parties at a final walkthrough inspection of the real property  
21 upon termination of the rental agreement;~~or~~

22 (2) Itemized by the lessor and delivered or mailed to the lessee if the final  
23 walkthrough inspection is not attended by the lessee; or

1 (3) Itemized by the lessor and delivered or mailed to the lessee if the final walk  
2 through inspection uncovers substantial damage caused by the lessee,  
3 lessee's pet or animal, or the lessee's guest which would reasonably require  
4 a contractor's estimate. Such

5 c. The itemization together with the amount due must be delivered or mailed to the  
6 lessee at the last address furnished to the lessor, along with a written notice  
7 within thirty days after termination of the lease and delivery of possession by the  
8 lessee. The notice must contain a statement of any amount still due the lessor or  
9 the refund due the lessee. A lessor is not required to pay interest on security  
10 deposits if the period of occupancy was less than nine months in duration. Any  
11 amounts not claimed from the lessor by the lessee within one year of the  
12 termination of the lease agreement are subject to the reporting requirements of  
13 section 47-30.1-08.

14 **SECTION 2. AMENDMENT.** Section 47-16-07.2 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16 **47-16-07.2. Statement detailing condition of premises to accompany rental agreement**  
17 **- Termination.**

18 A landlord shall provide the tenant with a statement describing the condition of the facilities  
19 in and about the premises to be rented at the time of entering a rental agreement, and at a final  
20 walkthrough inspection of the real property upon termination of the rental agreement. The  
21 statement ~~shall~~must be agreed to and signed by the landlord and tenant. The statement ~~shall~~  
22 ~~constitute~~constitutes prima facie proof of the condition of the facilities and the premises at the  
23 beginning of the rental agreement and upon termination of the rental agreement.