

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2400

2001 SENATE JUDICIARY

SB 2400

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2400

Senate Judiciary Committee

Conference Committee

Hearing Date February 12th, 2001

Tape Number	Side A	Side B	Meter #
1		x	55.5-end
2	x		
February 13th, 2001(tape 1)		x	11.7-20.9
February 19th, 2001(tape 1)		x	20.4-43.5
Committee Clerk Signature			

Minutes: **Senator Traynor** opened the hearing on SB 2400: A BILL FOR AN ACT TO AMEND AND REENACT SUBSECTION 1 OF SECTION 47-16-14 AND SECTION 47-16-15 OF THE NORTH DAKOTA CENTURY CODE, RELATING TO TERMINATION OF LEASES.

Senator Watne, representing district 5, testifies in support of the bill. (testimony attached)

Senator Nelson, What's the problem?

Greg Thompson, attorney at Fargo ND law firm of Anderson & Bottrell. (testimony attached)

Senator Trenbeath, this is interesting. If that is the interpretation as I understand it, the automatic renewal is common practice. What is common practice now?

Greg Thompson, common practice right now is to start on a turn bases. Most common term I see right now is 6 months. This wouldn't be necessary if it was month to month.

Senator Trenbeath, but hasn't it been that the courts have interpreted that if it is paid month to month that it automatically renews itself unless terminated.

Greg Thompson, they have been looking at that as a year lease.

Senator Trayno, if the lease was silent on a renewal, you wouldn't be held. That is what senator Trenbeath is driving at. I think an amendment would be in order.

Greg Thompson, there is a statute that unless a party terminates a contract, it renews itself.

Klaus Rimbkern, represents ND association of Realtors, involved when the bill passed. Landlords were being unfair to college students.

Rocky Gordon, property manager, under current law where you sign six month lease, there is a section where the landlord must notify the tenant.

Senator Traynor, postponed the hearing on SB 2400.

✓ February 13th, 2001 tape 1, side b meter # 11.7

Senator Watne opened the hearing on SB 2400.

Tom Tupa, representing Apartment Association. The group felt that there was no need to amend the bill.

Senator Trenbeath, I don't know why they came to that conclusion.

Tom Tupa, Mr. Thompson carried most of the conversation, he believed the lease would carry from month to month.

Senator Trenbeath, the legal presumption is you do things on purpose. My suggestion is having this redressed in the house.

Senator Bercier, this is a Fargo problem. In my opinion it would seem that the judges should talk.

Tom Tupa, that has been attempted. Mr. Thompson is the so called expert. His fear is that it may spread west.

Senator Watne, one witness did say that this has happened in Grand Forks.

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Senate Judiciary Committee
Bill/Resolution Number SB 2400
Hearing Date February 13th, 2001

Senator Lyson, I want to call the judge and tell them to get it together or a law will get passed.

Senator Trenbeath, what is the judges reasoning?

Senator Nelson, could you check out on how they are interpreting the law?

February 19th, 2001, tape 1, side b, discussion

Senator Traynor closed the hearing on SB 2400.

SENATOR TRENBEATH MOTIONED TO DO NOT PASS, SECONDED BY SENATOR BERCIER. VOTE INDICATED 3 YEAS, 4 NAYS AND 0 ABSENT AND NOT VOTING.

SENATOR WATNE MOTIONED TO DO PASS, SECONDED BY SENATOR DEVER.

VOTE INDICATED 4 YEAS, 3 NAYS AND 0 ABSENT AND NOT VOTING.

Date: 2/19/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2400

Senate Judiciary Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Trenbeath Seconded By Bercier

Senators	Yes	No	Senators	Yes	No
Traynor, J. Chairman		X	Bercier, D.	X	
Watne, D. Vice Chairman		X	Nelson, C.	X	
Dever, D.		X			
Lyson, S.		X			
Trenbeath, T.	X				

Total (Yes) 3 No 4

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2/19/01
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2400

Senate Judiciary Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Watne Seconded By Dever

Senators	Yes	No	Senators	Yes	No
Traynor, J. Chairman	X		Bercier, D.		X
Watne, D. Vice Chairman	X		Nelson, C.		X
Dever, D.	X				
Lyson, S.	X				
Trenbeath, T.		X			

Total (Yes) 4 No 3

Absent 0

Floor Assignment Watne

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 19, 2001 4:50 p.m.

Module No: SR-30-3926
Carrier: Watne
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2400: Judiciary Committee (Sen. Traynor, Chairman) recommends DO PASS
(4 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). SB 2400 was placed on the
Eleventh order on the calendar.

2001 HOUSE JUDICIARY

SB 2400

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2400

House Judiciary Committee

Conference Committee

Hearing Date 03-12-01

Tape Number	Side A	Side B	Meter #
TAPE I		X	734 to 2529
Committee Clerk Signature <i>Joan Dees</i>			

Minutes: Chairman DeKrey opened the hearing on SB 2400. Relating to termination of leases.

Tom Tupa: registered lobbyist for the North Dakota Apartment Association. Spoke in support of the bill.

Rocky Gordon: The intent of this bill is to correct an interpretation problem that we are having in parts of the state. It happens in a fairly narrow scope of situations. In current statute there is three places in the law that it discusses leases. There is a lease for term, month to month and then a combination of lease for term that rolls over into a month to month. The problem that we have been having is that in certain parts of the state, some of the judges are saying that when you enter into a lease for term, that the intent is to turn over into a month to month at the end of the specific term, if no notice is given, the tenant can just leave and they don't have to give a notice. If they don't pay the seventh months rent, then a month to month situation is not created. What we are attempting to do with this bill is to say that the parties may contract within the lease for it to

automatically roll over into a month to month at the end of the term. That is the determination that we have been getting locally, but not in the eastern part of the state.

Senator Watne: District 5, sponsor of the bill, (see attached testimony).

Chairman DeKrey: Are there any questions for either Senator Watne or Mr Gordon. If not thank you appearing, anyone else wishing to appear in support of SB 2400, anyone in opposition to SB 2400.

Rep Mahoney: When you read this (lines 18-21 of page) what happens if they don't contract within the lease for the renewal on a month to month basis.

Rocky Gordon: If it is not contracted within the lease for an automatic renewal are we then talking about a lease for term or do you say nothing changes.

Rep Mahoney: The new law that is being presented in this bill (reads the new language) that means within your lease. What if you don't have anything in your lease. This only provides if you have it within the lease.

Rocky Gordon: I understand what you are saying, I just need to take it one step further. The original lease set up as a lease for term, it was a year lease, is that your question.

Rep Mahoney: Let's use that as an example.

Rocky Gordon: The person stays and pays the next months rent. Then I would see that it would continue on a month to month.

Rep Mahoney: Basically under the old common law.

Rocky Gordon: Yes.

Rep Delmore: Would you see most leases having that provision, as the bill is written.

Rocky Gordon: I would, most are written for a specific term. Most of them are written that they would continue on a month to month basis.

Rep Mahoney: The only concern that I would have is when you put something in statute, it may be interpreted by the courts differently. We may want to take a look at that and that may take some amending to clarify.

Rep Wrangham: I don't understand what this language does. There is nothing in the old law that says they couldn't do that now.

Rocky Gordon: My interpretation of current law is that it does this very thing. It is just that we are trying to clarify when there needs to be an interpretation in the judicial system.

Rep Wrangham: The way I see this, I don't think that you are accomplishing your goal.

Rep Disrud: I see in Senator Watne's testimony that some courts are interpreting this law different. Can you help me understand that a little bit.

Rocky Gordon: What I have been told is that what has happened is that when a lease is entered into that says that we are going to lease this property for six months and that it automatically continues on a month to month bases, which is what was the intent of the parties and how the lease was written. What has been happening in some narrow situations is that at the end of the six months the tenant just leaves and doesn't give notice. The judges are saying that is ok. It is our belief, that the party should be able to say we are going to enter into a six month lease, that turns over into a month to month agreement. The parties would be required to give 30 days notice one way or the other at the end of the six month if they want to leave.

Rep. Disrud: Who is responsible, wouldn't the owner of a piece of property understand that he or she has a six month lease and that the owner is responsible to follow up when the end of the six months to take care of the contract.

Rocky Gordon: What we are trying to say is that which ever party wants to terminate is responsible.

Rep. Disrud: Gives an example with a six month lease. I know that at the end of the six months I am done with my lease and move. I don't understand why I as a tenant would have to say at the end of my six month lease that I am really done or I am not done. I don't understand why I have to clarify when ending a lease.

Rocky Gordon: In the situation where you have just signed a six month lease that would be true. But leases that we're signing say six month and then month to month until someone terminates. I think what you were talking about is somewhat different.

Rep. Onstad: A person signs a six month lease, doesn't the landlord give notification that your lease is coming up what is your intentions.

Rocky Gordon: That is true if you have just signed a six month lease. But if you contract that it is just going to contract after the six month on a month to month basis, then that normally isn't true.

Rep. Onstad: In the same token when it is six month or one month, it just seems to me if you are going on an ongoing month to month, as a landlord you are going to notify the person, what is your intentions next month. If you are going to let it on going, then you left it open for that renter, but that is the landlords notification that let it on going.

Rocky Gordon: No, if you agree that it is going to be on going until someone terminates, be it landlord or tenant, if it is the tenant that wants to terminate, he is the one that needs to give the notice.

Rep Mahoney: Explains the law. If you are trying to take care of a situation where it is not clear, then the real concern is not being addressed in the lease.

Rocky Gordon: I don't think that it is. I wasn't able to communicate what we are trying to do here. I believe that if you sign just a years lease with no other provision, then it is the responsibility of the landlord to try to get a renewal. If at that point he does nothing and the tenant stays and pays the next months rent, then it is a month to month. Then it is the landlords responsibility. But what we are trying to get to is that is not the norm anymore. Most leases that are signed have a fixed term and then it automatically goes to month to month. The tenant should have to give notice to terminate.

Rep Mahoney: Why can't you do that now.

Rocky Gordon: We believe we can, we have been doing it, but in Fargo market, if the tenant just vacates, the judge says that they can do this.

Rep Delmore: You are looking for that tenant to pay that months rent because they left without paying it and letting you know.

Rocky Gordon: What we are looking for is the notice.

Chairman DeKrey: If there are no further questions, we will close the hearing on SB 2400.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2400b

House Judiciary Committee

Conference Committee

Hearing Date 03-14-01

Tape Number	Side A	Side B	Meter #
TAPE I	X		3535 to 4160
Committee Clerk Signature <i>Donna L. Jones</i>			

Minutes: Chairman DeKrey opened the hearing on SB 2400.

DISCUSSION

Rep Delmore moved a DO NOT PASS, seconded by Rep Disrud.

DISCUSSION

Chairman DeKrey: the clerk will call the roll on a DO NOT PASS motion on SB 2400. The motion passes with a vote of 12 YES, 1 NO and 2 ABSENT. Carrier Rep Wrangham.

