

## HB 1442 Testimony

Mike Blessum – District 5 - Minot

ND Senate Industry, Business and Labor Committee

Mr. Chairman and members of the committee, my name is Mike Blessum from District 5 in Minot. I am here today representing myself to testify in opposition to HB 1442. I am an owner and the General Manager of Dakota Property Management in Minot. We manage more than 250 residential rental units in Minot and Bismarck.

Late fees are an important tool landlords use to ensure that rents are paid on time. Fee structures vary among property management companies and leases, but our primary late fee rules include an initial fee on the 4<sup>th</sup> day late plus a small amount per day after until the rent is paid or the end of the rental month.

Like every aspect of our leases and policies – late fee structures are a competitive issue in the local markets. It is one of many factors that a prospective tenant must consider when they are shopping for a rental unit. We feel that our entire package of rents, discounts, fees, and inclusions positions us well in the markets we serve. We balance all of these factors with market supply and demand to provide maximum value for our tenants, property owners, and our own business.

COVID has placed new and unprecedented burdens on society and our industry. Landlords and property owners have been asked to work with tenants in multiple ways to make sure that everyone gets through the situation. We have been asked to delay or forego eviction proceedings, eliminate late fees for tenants receiving Rent Bridge payments, and work with tenants on payment plans. We have been happy to try to be a part of the solution by doing everything we can to keep our tenants in their units. As an example, we have a tenant in one of our Bismarck apartment units that owes over \$3100 in overdue rent. We have held off on eviction pending payment from the Rent Bridge program. We have also waived all late fees since December.

To date, financial relief specific to property owners has not been offered leaving many to deal with revenue shortfalls and issues with mortgage and property tax obligations. The rental industry is doing its part to ensure that our markets stay competitive and functioning despite extreme pressures on our business including decreased rents and occupancy.

Placing new arbitrary limits on any aspect of our business will cause a disruption in the rental market. Removing our ability to set our own fees as we interact with the market will result in less competition and less options for renters. I urge you to return a “Do Not Pass” recommendation on HB 1442.