Sixty-fourth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 6, 2015

HOUSE BILL NO. 1192
(Representatives Louser, Beadle, Boehning, B. Koppelman)

AN ACT to amend and reenact section 47-16-07.1 of the North Dakota Century Code, relating to security deposits that may be required for lessees with pets.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 47-16-07.1 of the North Dakota Century Code is amended and reenacted as follows:

47-16-07.1. Real property and dwelling security deposits - Limitations and requirements.

1. The lessor of real property or a dwelling who requires money as a security deposit, however denominated, shall deposit the money in a federally insured interest-bearing savings or checking account for the benefit of the tenant. The security deposit and any interest accruing on the deposit must be paid to the lessee upon termination of a lease, subject to the conditions of subsection 2. A lessor may not demand or receive security, however denominated, in an amount or value in excess of one month's rent~~, except if the lessee is housing a pet on the leased premises, the~~.

2. A lessor may charge a lessee a pet security deposit for keeping an animal that is not a service animal or companion animal required by a tenant with a disability as a reasonable accommodation under fair housing laws. A pet security deposit may not exceed the greater of two thousand five hundred dollars or an amount equivalent to two months' rent.

~~2.~~3. A lessor may apply security deposit money and accrued interest upon termination of a lease towards:

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

   b. Any unpaid rent.

   c. The costs of cleaning or other repairs which were the responsibility of the lessee, and which are necessary to return the dwelling unit to its original state when the lessee took possession, reasonable wear and tear excepted.

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

~~3.~~4. A lessor is liable for treble damages for any security deposit money withheld without reasonable justification.

~~4.~~5. Upon a transfer in ownership of the leased real property or dwelling, the security deposit and accrued interest shall be transferred to the grantee of the lessor's interest. The grantor shall

not be relieved of liability under this section until transfer of the security deposit to the grantee. The holder of the lessor's interest in the real property or dwelling at the termination of a lease shall be bound by this section even though such holder was not the original lessor who received the security deposit.

~~5.~~6. This section applies to the state and to political subdivisions of the state that lease real property or dwellings and require money as a security deposit.

Wesley R. Belter
Speaker of the House

President of the Senate

Bull J. Reich
Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-fourth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1192.

House Vote:	Yeas 90	Nays 0	Absent 4
Senate Vote:	Yeas 47	Nays 0	Absent 0

Bull J. Reich
Chief Clerk of the House

Received by the Governor at 10:30 A.M. on March 13, 2015.

Approved at 2:40 p.M. on March 16, 2015.

Jack Dalrymple
Governor

Filed in this office this 16th day of March, 2015,

at 3:07 o'clock P M.

Secretary of State