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Chapter 118 – Landlord & tenant policy provisions (SF 3492/HF3591)

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Overview

Chapter 118 makes several changes to laws governing landlords and tenants. This act establishes a right for tenants to organize; provides tenants with remedies when construction delays prevent the tenant from occupying the unit; clarifies the rights of tenants who are victims of domestic abuse, sexual abuse, or harassment; clarifies the rights of tenants who seek assistance in response to a mental health or health crisis; prohibits landlords from denying a rental application solely because the tenant provided an individual taxpayer identification number; and makes several clarifying changes to laws enacted in 2023.

Summary

Section 1 [§484.014, subd. 3; Mandatory expungement] requires the court, upon a defendant's motion, to expunge an eviction action filed against a tenant who terminated their lease because the tenant was a victim of domestic abuse, sexual abuse, or harassment. This section is effective 30 days following the date of final enactment.

Section 2 [§504B.001, subd. 13a; Tenant organization] defines "tenant association" for purposes of chapter 504B.

Section 3 [§504B.001, subd. 13b; Tenant organizer] defines "tenant organizer" for purposes of chapter 504B. This definition includes a non-tenant who helps the tenants organize.

Section 4 [§504B.001, subd. 14; Violation] modifies the definition of "violation" for purposes of chapter 504B to include violations of any law protecting tenants from discrimination and violations of any rights and obligations related to public and subsidized tenancies.

Section 5 [§504B.001, subd. 16; Abandonment] defines "abandonment of tenancy" and "abandonment of personal property" for purposes of chapter 504B.

Section 6 [§504B.113, subd. 3; Additional fees or deposits prohibited; disclosure required] requires a landlord who charges a pet fee to disclose in the lease that current law prohibits fees for service or support animals. This section permits a tenant to recover fees paid pursuant to a pet policy if the landlord failed to disclose the prohibition on service or support animal fees and the tenant would have requested a reasonable accommodation and likely received the accommodation had the landlord provided the disclosure.

Section 7 [§504B.117; Individual taxpayer identification number] requires a landlord to provide on a rental application an option for a prospective tenant to submit an individual taxpayer identification number (ITIN) or a social security number. This section prohibits the landlord from denying a rental application solely because the tenant provided an ITIN. This section does not prevent a landlord's ability to deny a rental application if the consumer credit report attached to the ITIN is insufficient.

Section 8 [§504B.144; Early renewal of lease] clarifies that a landlord may not require a tenant to renew a lease sooner than six months from the expiration of the current lease if the lease is for a period longer than ten months.

Section 9 [§504B.153; New construction delays; tenant remedies] provides tenants with remedies when new construction for rental occupancy is not available for occupancy by the move-in date established in the lease as follows: (1) alternative housing for the tenant provided by the landlord equivalent to the unit identified in the lease; (2) payment by the landlord to the tenant of the total rent paid to mitigate costs of alternative housing secured by the tenant; or (3) termination of the lease and a return to the tenant of all amounts paid. "New construction" includes rehabilitations, additions to a building, and any other physical changes that alter the use or occupancy. Landlords must notify tenants of the available remedies within seven days of learning of the move-in delay but prior to the move-in date. A violation of this section is a violation of section 504B.375 (unlawful exclusion or removal; action for recovery of possession). If a landlord violates this section, a tenant may seek recovery under section 504B.231 (damages for ouster); or recover the greater of one month's rent, \$1,000, or actual damages, plus reasonable attorney fees and court costs.

Section 10 [§504B.154; Tenant abandonment of dwelling] requires a landlord to make reasonable effort to rent a dwelling unit at a fair rental value if the tenant abandon the dwelling during the lease term. This section also provides for the termination of the lease based on whether the landlord rents the dwelling out to a new tenant; whether the landlord fails to use reasonable efforts to rent the dwelling at a fair rental value; or whether the landlord accepts the abandonment as a surrender.

Section 11 [§504B.161, subd. 1; Requirements] updates, clarifies, and expands the covenants of habitability required by landlords for residential rental units.

Section 12 [§504B.173, subd. 3a; Denial based on pending cases] prohibits a landlord from denying a rental application based on a pending eviction action, a nonpublic or expunged court file, or an eviction action that has not resulted in a writ of recovery and order to vacate.

Section 13 [§504B.177; Late fees] provides that, with respect to housing assistance payment contracts, a late fee imposed by a landlord must be calculated and assessed only on the portion of rent payable by the tenant. This section defines "housing assistance payment contracts."

Section 14 [§504B.204; Action for rental of condemned residential premises] clarifies when a landlord may accept rent related to condemnation and provides that violating this section of law is a violation of the covenants between tenants and landlords.

Section 15 [§504B.205, subd. 2; Emergency calls permitted] clarifies that landlords must not limit a tenant's right to call police or emergency assistance in response to a mental health or health crisis.

Section 16 [§504B.205, subd. 3; Local preemption] clarifies that the state law regarding a tenant's right to call police or emergency assistance in response to a mental health or health crisis preempts any inconsistent local ordinance or rule.

Section 17 [§504B.206, subd. 1; Right to terminate; procedure] permits the tenant's notice to terminate to be sent via a form of written communication regularly used by the parties. This section provides that the tenancy terminates on the date provided in the notice, but that vacation of the premises earlier does not constitute termination. This section is effective 30 days following final enactment.

Section 18 [§504B.206, subd. 2; Treatment of information] provides that a landlord who releases certain information about a tenant who is a victim of violence is liable to the tenant for statutory damages of \$2,000 plus reasonable attorney fees and costs. This section is effective August 1, 2024.

Section 19 [§504B.206, subd. 3; Liability for rent; termination of tenancy] prohibits a landlord from commencing an eviction action, except as provided in section 504B.285, subdivision 1, paragraph (b), against a tenant who terminates a lease because the tenant is a victim of domestic abuse, sexual abuse, or harassment. This section is effective 30 days following final enactment.

Section 20 [§**504B.206**, **subd. 6**; **Definitions**] modifies the definition of "qualified third party" to remove an in-person contact requirement. This section is effective 30 days following final enactment.

Section 21 [§504B.212; Tenant right to organize; tenant associations] establishes the right of tenants to operate a tenant association to address living environment issues. This section requires owners and their agents to allow tenants and tenant organizers to conduct activities related to the establishment of a tenant organization, including distributing information, convening in a meeting space, and contacting tenants; prohibits management representatives from attending tenant association meetings unless invited; and prohibits landlords from adopting rules to prohibit peaceful organizing or other noncommercial free expression and prohibits landlords from requiring prior approval to engage in protected activities. This section prohibits a landlord from retaliating against a tenant after a tenant reports a code violation, reports a violation of this section, seeks assistance from a community organization, requests that the landlord make a repair, joins or attempts to join a tenant association, or testifies in a judicial or administrative proceeding concerning the condition of the premises or to exercise a right or remedy under law. This section permits the tenant to recover \$1000 per violation and reasonable attorney fees if the landlord violates this section.

Section 22 [§504B.241, subd. 4; Court file information] requires tenant screening companies to update and verify court cases immediately prior to issuing a tenant screening report.

Section 23 [§504B.245; Tenant report; remedies] permits any injured party to bring an action against a tenant screening company for violating the laws on tenant screening reports and recover the greater of \$1,000 or actual damages, costs and disbursements, reasonable attorney fees, and receive other equitable relief.

Section 24 [§504B.266, subd. 2; Termination of lease upon infirmity of tenant] provides that only one of the tenant's on a lease has to meet the qualifications of an infirmed tenant to allow all of the tenants to give notice and move out.

Section 25 [§504B.268, subd. 1; Right to counsel] clarifies that tenants in housing subsidized under section 9 of the U.S. Housing Act of 1937 or the Rental Assistance Demonstration program are eligible for an attorney appointed by the court under a 2023 law that provided a right to counsel in public housing evictions if the tenant is financially unable to obtain counsel.

Section 26 [§504B.285, subd. 1; Grounds] prohibits a landlord from commencing an eviction action against a tenant who terminates a lease because the tenant is a victim of domestic abuse, sexual abuse, or harassment. This section clarifies that a landlord may commence an eviction action against a tenant-victim if the tenant-victim provides the required notice under section 504B.206, subdivision 1 but fails to vacate the premises by the date identified in the notice. A landlord who violates this section is liable to the tenant for reasonable attorney fees and costs related to obtaining an expungement of the eviction record. This section is effective 30 days following final enactment.

Section 27 [§504B.332; Summons and complaint; how served] provides that the plaintiff must serve the summons and complaint at least seven days before the date of the court appearance in the manner provided for service of a civil action in district court; by substitute service, if the defendant cannot be found in the county; or by mail or posting, if personal or substitute service is unsuccessful. This section provides that if the plaintiff regularly uses electronic written communication to communicate with the defendant, the plaintiff must also notify the defendant of the court appearance through electronic communication. This section also provides a definition for "plaintiff."

Section 28 [§504B.345, subd. 1; General] removes a cross-reference to the statute governing eviction actions based on nonpayment of rent, thereby requiring the court to stay the writ of recovery of premises and order to vacate for a reasonable period, not to exceed seven days, for such eviction actions. This section also provides that the exceptions under paragraph (d) do not apply when the court has issued a default judgment.

Section 29 [§504B.385, subd. 2; Counterclaim for possession] makes a conforming change by updating a statutory cross-reference.

Section 30 [§504B.501; Attorney general enforcement] provides that the attorney general has authority under section 8.31 to investigate and prosecute violations of chapter 504B.

Section 31 [Repealer] repeals section 504B.331 (summons; how served). Section 27 of this act creates a new statute governing the service of the summons and complaint.

Section 32 [Effective date] provides that, unless otherwise specified, this act is effective January 1, 2025.