from the receipt by him of the certified copy of the resolution; and
such special census may be used for such purpose within the year it is
taken or at any time thereafter. The expense of taking such census
shall be paid by the city, village, borough, or school district, as the
case may be, in which the same is taken.

The term "council," as used in sections 275.11 to 275.16, means
any board or body, whether composed of one or more branches,
authorized to make ordinances for the government of a village, city,
or borough within this state.

Approved June 4, 1971.

CHAPTER 784—H.F.No.761

An act relating to landlords and tenants; providing damages and
attorney's fees in actions to recover security deposits withheld by a
landlord.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. [504.19] LANDLORDS AND TENANTS; REFUND
OF SECURITY DEPOSIT; DAMAGES; ATTORNEY'S FEES. Sub-
division 1. Any person, partnership, firm, association or corporation
which requires a damage deposit, or any other type of security
deposit, in connection with the renting of real property for residential
purposes, shall refund said deposit or furnish to the renter vacating
such property a written statement showing the reason for the
withholding of the deposit, or any portion thereof, within 31 days
after the renter vacates the property.

Sec. 2. [504.19] Subd. 2. Any person entitled to a refund of the
deposit, or any portion thereof, who is not furnished a written
statement as required herein and who is required to start legal
proceedings for the recovery thereof, shall be entitled on a verdict to
the total amount of the deposit, or portion thereof which is withheld,
plus reasonable attorney's fees.

Approved June 4, 1971.

Changes or additions indicated by underline, deletions by strikeout.
CHAPTER 560—S.F.No.943

An act relating to education; interest on installment purchase of buses; amending Minnesota Statutes 1971, Section 123.39, Subdivision 3.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1971, Section 123.39, Subdivision 3, is amended to read:

Subd. 3. SCHOOL DISTRICTS; PURCHASE OF BUSES; INSTALLMENT PLAN; INTEREST. The board may purchase buses on the installment plan, the installments to be all paid within a period of not to exceed three years from the date of purchase and the deferred payments to bear a rate of interest of not to exceed four six percent per annum.


CHAPTER 561—S.F.No.965

[Encoded in Part]

An act relating to real estate; landlord and tenant; deposit of money; amending Minnesota Statutes 1971, Chapter 504, by adding a section; and repealing Minnesota Statutes 1971, Section 504.19.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1971, Chapter 504, is amended by adding a section to read:

[504.20] LANDLORD AND TENANT; INTEREST ON SECURITY DEPOSITS; WITHholding SECURITY DEPOSITS; DAMAGES. Subdivision 1. Any deposit of money, the function of which is to secure the performance of a residential rental agreement or any part of such an agreement, other than a deposit which is exclusively an advance payment of rent, shall be governed by the provisions of this section.

Subd. 2. Any such deposit of money shall not be considered received in a fiduciary capacity within the meaning of Minnesota Statutes, Section 87.17, Subdivision 7, but shall be held by the

Changes or additions indicated by underline, deletions by strikeout.
landlord for the tenant who is party to such agreement and shall bear simple interest at the rate of five percent per annum noncompounded, computed from the first day of the next month following the full payment of such deposit to the last day of the month of termination of the tenancy. Any interest amount less than $1 shall be excluded from the provisions of this act.

Subd. 3. Every landlord shall, within two weeks after termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, return such deposit to the tenant, with interest thereon as above provided, or furnish to the tenant a written statement showing the specific reason for the withholding of the deposit or any portion thereof. The landlord may withhold from such deposit only such amounts as are reasonably necessary:

(a) To remedy tenant defaults in the payment of rent or of other funds due to the landlord pursuant to an agreement; or

(b) To restore the premises to their condition at the commence-ment of the tenancy, ordinary wear and tear excepted.

In any action concerning such deposit, the burden of proving, by a fair preponderance of the evidence, the reason for withholding all or any portion of such deposit shall be on the landlord.

Subd. 4. Any landlord who fails to provide a written statement within two weeks of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, shall forfeit all rights to withhold any portion of such deposit.

Subd. 5. Upon termination of the landlord's interest in the premises, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or his agent shall, within a reasonable time, do one of the following acts, either of which shall relieve him of further liability with respect to such deposit:

(a) Transfer such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the landlord's successor in interest and thereafter notify the tenant of such transfer and of the transferee's name and address; or

(b) Return such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the tenant.

Subd. 6. Upon termination of the landlord's interest in the premises, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord's successor in interest shall have all of the rights and obligations of the landlord with respect to such

Changes or additions indicated by underline, deletions by strikeout.
deposit, except, that if tenant does not object to the stated amount within 20 days after written notice to tenant of the amount of deposit being transferred or assumed, the obligation of the landlord's successor to return such deposit shall be limited to the amount contained in such notice. Such notice shall contain a stamped envelope addressed to landlord's successor and may be given by mail or by personal service.

Subd. 7. The bad faith retention by a landlord of such deposit, or any portion thereof, in violation of this section shall subject the landlord to punitive damages not to exceed $200 in addition to any actual damages. Failure by the landlord to provide the written statement required by subdivision 3 and to return such deposit within two weeks after the commencement of any action for the recovery of such deposit shall be presumed to be a bad faith retention by the landlord of such deposit.

Subd. 8. Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable.

Subd. 9. The provisions of this section shall apply only to tenancies commencing or renewed on or after July 1, 1973. For the purposes of this section, estates at will shall be deemed to be renewed at the commencement of each rental period.

Sec. 2. REPEALER. Minnesota Statutes 1971, Section 504.19, is repealed.


CHAPTER 562—S.F.No.1004

[Coded]

An act relating to crimes and criminals; prohibiting experimentation and research on a living human conceptus or the sale of such living human conceptus; providing penalties.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. [145.421] PUBLIC HEALTH; HUMAN CONCEPTUS; EXPERIMENTATION, RESEARCH OR SALE; DEFINITIONS. Subdivision 1. TERMS. As used in sections 1 and 2, the terms defined in this section shall have the meanings given them.

Changes or additions indicated by underline, deletions by strikeout.
Sec. 6. This act is effective upon approval by the city council of the city of Duluth, and upon compliance with Minnesota Statutes, Section 645.021.

Approved June 4, 1975.

CHAPTER 469—H.F. No. 1140

[Coded]

An act relating to health; providing for a program of treatment for adults having cystic fibrosis; appropriating money; amending Minnesota Statutes 1974, Chapter 144, by adding a section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1974, Chapter 144, is amended by adding a section to read:

[144.146] HEALTH; CYSTIC FIBROSIS; TREATMENT. [Subdivision 1.] PROGRAM. The board of health shall develop and conduct a program including medical care and hospital treatment for persons aged 21 or over who are suffering from cystic fibrosis.

Sec. 2. [144.146] [Subd. 2.] APPROPRIATION. There is appropriated annually from the general fund in the state treasury the sum of $40,000 or as much of that amount as is necessary for the year to the department of health for the development of the program of treatment for cystic fibrosis.

Approved June 4, 1975.

CHAPTER 410—H.F. No. 1146

[Coded in Part]

An act relating to landlords and tenants; providing additional remedies for landlords and tenants; security deposits; withholding rent for last payment period; providing penalties; amending Minnesota Statutes 1974, Sections 487.17, 488A.01, Subdivision 5; 488A.18, Subdivision 6; 504.20, by adding a subdivision; Chapter 504, by adding sections; Chapter 566, by adding a section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1974, Chapter 504, is amended by adding a section to read:

Changes or additions indicated by underline deletions by strikeout
from rental property and except as where expressly provided in this section, sections 566.02 to 566.17 shall not apply to proceedings under this section.

Subd. 6. The provisions of this section shall apply only to tenants as that term is defined in section 566.18, subdivision 2, and buildings as that term is defined in section 566.18, subdivision 7.

Sec. 6. Minnesota Statutes 1974, Section 487.17, is amended to read:

487.17 FORCIBLE ENTRY AND UNLAWFUL DETAINER.
Whether or not title to real estate is involved, the county court has jurisdiction of actions of forcible entry and unlawful detainer or actions for unlawful removal or exclusion pursuant to section 2 of this act, involving land located wholly or partly within the county court district and of actions seeking relief for code violations pursuant to sections 566.18 to 566.33 involving premises located wholly or partly within the county court district.

Sec. 7. Minnesota Statutes 1974, Section 488A.01, Subdivision 5, is amended to read:

Subd. 5. FORCIBLE ENTRY AND UNLAWFUL DETAINER OR UNLAWFUL REMOVAL OR EXCLUSION. Whether or not the title to real estate is involved, the court has jurisdiction of actions of forcible entry and unlawful detainer or actions for unlawful removal or exclusion pursuant to section 2 of this act, involving land located wholly or in part within Hennepin county and, notwithstanding any provision of subdivision 7 to the contrary, of actions seeking relief for code violations pursuant to sections 566.18 to 566.33 involving premises located wholly or partly within Hennepin county.

Sec. 8. Minnesota Statutes 1974, Section 488A.18, Subdivision 6, is amended to read:

Subd. 6. FORCIBLE ENTRY AND UNLAWFUL DETAINER OR UNLAWFUL REMOVAL OR EXCLUSION. Whether or not the title to real estate is involved, the court has jurisdiction of actions of forcible entry and unlawful detainer or actions for unlawful removal or exclusion pursuant to section 2 of this act, involving land located wholly or in part within Ramsey county and, notwithstanding any provision of subdivision 8 to the contrary, of actions seeking relief for code violations pursuant to sections 566.18 to 566.33 involving premises located wholly or partly within Ramsey county.

Sec. 9. Minnesota Statutes 1974, Section 504.20, is amended by adding a subdivision to read:

Subd. 7a. No tenant may withhold payment of all or any portion of rent for the last payment period of a residential rental agreement, changes or additions indicated by underline deletions by strikeout.
except an oral or written month to month residential rental agreement concerning which neither the tenant nor landlord has served a notice to quit, on the grounds that such deposit should serve as payment for the rent. Withholding all or any portion of rent for the last payment period of the residential rental agreement creates a rebuttable presumption that the tenant withheld the last payment on the grounds that such deposit should serve as payment for the rent. Violation of this subdivision after written demand and notice of this subdivision shall subject the tenant to damages of twice the deposit and forfeiture of any interest due on the deposit in addition to any actual damages.

Approved June 4, 1975.

CHAPTER 411—H.F.No.1160

[Not Coded]

An act relating to the American revolution bicentennial; creating a commission; authorizing governmental units to furnish services, property and money in connection with bicentennial projects; validating prior expenditures.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. BICENTENNIAL PROJECTS; APPROPRIATIONS; TAX LEVIES. Subdivision 1. A governmental unit which has been duly approved as a bicentennial community by the state bicentennial commission and the federal bicentennial administration may furnish services and property and may expend money in connection with any project which accomplishes a public purpose and is certified by the state bicentennial commission as furthering an overall program for commemorating the two-hundredth anniversary of the founding of the United States of America. The term "governmental unit" as used in this section means a county, city, or town.

Subd. 2. A governmental unit may furnish services and property and contribute money to any bicentennial group or community in this state which is duly approved as such by the state bicentennial commission and the federal bicentennial administration. The services, property and money furnished shall be used solely for a project satisfying the requirements of subdivision 1.

Subd. 3. Any appropriation and expenditure of funds made by a governmental unit prior to the effective date of this act for a bicentennial project is hereby validated.

Subd. 4. This section is effective on the day following its final enactment and shall expire on July 1, 1977.

Sec. 2. MINNESOTA AMERICAN REVOLUTION BICENTEN-
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. WABASHA COUNTY; BUENA VISTA SANITARIUM. If the requirements of Minnesota Statutes, Sections 373.01 and 375.21 are satisfied and the bids submitted for the purchase of the Buena Vista sanitarium are rejected, the Wabasha county board of commissioners may arrange a sale of the sanitarium through a real estate agent by means of a contract for deed or other method of sale as approved by the county.

Sec. 2. This act is effective upon a majority vote of the Wabasha county commissioners and upon compliance with Minnesota Statutes, Section 645.021.

Approved May 19, 1977.

CHAPTER 129—S.F.No.166

An act relating to real estate; landlord and tenant; venue of actions brought to recover rent deposits; amending Minnesota Statutes 1976, Sections 487.30, by adding a subdivision, 488.04, by adding a subdivision; 488A.01, by adding a subdivision; 488A.12, Subdivision 3; 488A.18, Subdivision 4; 488A.29, Subdivision 3; and 504.20, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1976, Section 487.30, is amended by adding a subdivision to read:

Subd. 3. REAL ESTATE; LANDLORD AND TENANT; RENT DEPOSITS. Notwithstanding the provisions of subdivision 1 of this section or any rule of court to the contrary, the circuit court of the county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in the county, and the summons in the action may be served anywhere within the state of Minnesota.

Sec. 2. Minnesota Statutes 1976, Section 488.04, is amended by adding a subdivision to read:

Subd. 3a. Notwithstanding the provisions of subdivision 1 of this section or any rule of court to the contrary, a municipal court has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in the county or counties in which the city is located, and the summons in the action may be served anywhere in the state of Minnesota.

Sec. 3. Minnesota Statutes 1976, Section 488A.01, is amended by adding a subdivision to read:

Subd. 4a. Notwithstanding the provisions of subdivisions 2 or 8 of this section or Changes or additions indicated by underline deletions by strikeout
any court rule to the contrary, the municipal court of Hennepin county has jurisdiction to
determine an action brought pursuant to section 504.20 for the recovery of a deposit on
rental property located in Hennepin county, and the summons in the action may be
served anywhere in the state of Minnesota.

Sec. 4. Minnesota Statutes 1976, Section 488A.12, Subdivision 3, is amended to
read:

Subd. 3. JURISDICTION. (a) Excepting actions involving title to real estate, the
court has jurisdiction to hear, consolidate, try and determine civil actions at law where the
amount in controversy does not exceed the sum of $1000. The territorial jurisdiction of
the court is coextensive with the geographic boundaries of the county of Hennepin.

(b) Notwithstanding the provisions of clause (a) of this subdivision, or any rule of
court to the contrary, the conciliation court of Hennepin county has jurisdiction to
determine an action brought pursuant to section 504.20 for the recovery of a deposit on
rental property located in whole or in part in Hennepin county, and the summons in the
action may be served anywhere within the state of Minnesota.

Sec. 5. Minnesota Statutes 1976, Section 488A.18, Subdivision 4, is amended to
read:

Subd. 4. CIVIL JURISDICTION. (a) Excepting cases involving title to real estate,
the court has jurisdiction to hear, try and determine civil actions at law in which the
amount in controversy does not exceed the sum of $6,000, exclusive of interest and costs.
The territorial jurisdiction of the court is coextensive with the geographic boundaries of
the county of Ramsey.

(b) The court also has jurisdiction, within the limitations provided in this
subdivision, to hear, try and determine civil actions commenced by a plaintiff, resident of
Ramsey county, where the action arose out of alleged negligent operation of a motor
vehicle in Ramsey county, notwithstanding that the defendant or defendants are not
residents of the county. Notwithstanding any law or rule of civil procedure to the
contrary, the summons in any such action may be served anywhere within the state of
Minnesota.

(c) Notwithstanding the provisions of clause (a) of this subdivision or any rule of
court to the contrary, the municipal court of Ramsey county has jurisdiction to determine
an action brought pursuant to section 504.20 for the recovery of a deposit on rental
property located in whole or in part in Ramsey county, and the summons in the action
may be served anywhere within the state of Minnesota.

Sec. 6. Minnesota Statutes 1976, Section 488A.29, Subdivision 3, is amended to
read:

Subd. 3. JURISDICTION. (a) Excepting actions involving title to real estate, the
court has jurisdiction to hear, consolidate, try and determine civil actions at law where the
amount in controversy does not exceed the sum of $1000. The territorial jurisdiction of
Changes or additions indicated by underline deletions by strikeout
the court is coextensive with the geographic boundaries of the county of Ramsey.

(b) Notwithstanding the provisions of clause (a) of this subdivision or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Ramsey county, and the summons in the action may be served anywhere in the state of Minnesota.

Sec. 7. Minnesota Statutes 1976, Section 504.20, is amended by adding a subdivision to read:

Subd. 7b. An action, including an action in conciliation court, for the recovery of a deposit on rental property may be brought in the county where the rental property is located, or at the option of the tenant, in the county of the landlord's residence.

Approved May 19, 1977.

CHAPTER 130—S.F.No.188

An act relating to crimes; correcting references in the laws relating to criminal sexual conduct; amending Minnesota Statutes 1976, Sections 246.43, Subdivision 1; 609.11, Subdivision 1; 609.195; 609.293, Subdivision 5; 609.32, Subdivisions 1, 3, and 4; 609.341, Subdivision 10; and Section 626.556, Subdivision 2; repealing Minnesota Statutes 1976, Section 609.293, Subdivisions 2, 3, and 4.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1976, Section 246.43, Subdivision 1, is amended to read:

246.43 CRIMES AND CRIMINALS; CRIMINAL SEXUAL CONDUCT; SEX OFFENDERS. Subdivision 1. CONVICTION OF SPECIFIED OFFENSES; PRESENTENCE EXAMINATIONS. If a person who is 18 years of age or older at the time of his apprehension is convicted under sections 609.291; 609.293; 609.293; 609.295; 609.296; 609.342; 609.343; 609.344; 609.345, or 609.365, or is convicted under section 609.17 of an attempt to commit an act prescribed by sections 609.291; 609.293; or 609.295; 609.342; 609.344, or is convicted of an act otherwise within the scope of one of these provisions occurring prior to its effective date, the court shall commit him to the commissioner of public welfare of the department of public welfare or shall order any other state, local, or private agency that the court may deem adequate to make said examination for a presentence social, physical and mental examination. The court and all public officials shall make available to the examining person, agency or commissioner upon his request all pertinent data in their possession in respect to the case.

Sec. 2. Minnesota Statutes 1976, Section 609.11, Subdivision 1, is amended to read:

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Trunk Highway No. 10; thence northwesterly along Trunk Highway No. 10 to the junction with Trunk Highway No. 59; thence northerly along Trunk Highway No. 59 to the junction with Trunk Highway No. 2; thence westerly along Trunk Highway No. 2 to the junction with Trunk Highway No. 32; thence northerly along Trunk Highway No. 32 to the junction with Trunk Highway No. 11; thence northeast along Trunk Highway No. 11 to the east line of Range 43W to the Minnesota-Canadian Border; thence easterly along said Border to Lake Superior.

In all cases where gross weights in an amount less than in this subdivision set forth are fixed, limited or restricted on any highway or bridge by or pursuant to any other section of this chapter such lesser gross weight as so fixed, limited or restricted shall not be exceeded and in such case shall control instead of the gross weight in this subdivision set forth.

Approved May 26, 1977.

CHAPTER 280—H.F.No.829

An act relating to landlord and tenant; establishing period for which interest is payable on security deposit; providing a measure of damages for the improper withholding of security deposits and the improper withholding of rent payments; amending Minnesota Statutes 1976, Section 504.20, Subdivisions 2, 3, 4, 7 and 7a.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1976, Section 504.20, Subdivision 2, is amended to read:

Subd. 2. LANDLORD AND TENANT; SECURITY DEPOSIT; INTEREST. Any such deposit of money shall not be considered received in a fiduciary capacity within the meaning of section 82.17, subdivision 7, but shall be held by the landlord for the tenant who is party to such an agreement and shall bear simple interest at the rate of five percent per annum noncompounded, computed from the first day of the next month following the full payment of such the deposit to the last day of the month of termination of the tenancy in which the landlord, in good faith, complies with the requirements of subdivision 3 or to the date upon which judgment is entered in any civil action involving the landlord's liability for the deposit, whichever date is earlier. Any interest amount less than $1 shall be excluded from the provisions of this section.

Sec. 2. Minnesota Statutes 1976, Section 504.20, Subdivision 3, is amended to read:

Subd. 3. Every landlord shall, within two three weeks after termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, return such the deposit to the tenant, with interest thereon as above provided, or furnish to the tenant a written statement showing the specific reason for the withholding of the deposit or any portion thereof. It shall be sufficient compliance with the time requirement of this

Changes or additions indicated by underline deletions by strikeout
subdivision if the deposit or written statement required by this subdivision is placed in the United States mail as first class mail, postage prepaid, in an envelope with a proper return address, correctly addressed according to the mailing address or delivery instructions furnished by the tenant, within the time required by this subdivision. The landlord may withhold from such the deposit only such amounts as are reasonably necessary:

(a) To remedy tenant defaults in the payment of rent or of other funds due to the landlord pursuant to an agreement; or

(b) To restore the premises to their condition at the commencement of the tenancy, ordinary wear and tear excepted.

In any action concerning such the deposit, the burden of proving, by a fair preponderance of the evidence, the reason for withholding all or any portion of such the deposit shall be on the landlord.

Sec. 3. Minnesota Statutes 1976, Section 504.20, Subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to provide a written statement within two three weeks of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, shall forfeit all rights to withhold any portion of such deposit liable to the tenant for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Sec. 4. Minnesota Statutes 1976, Section 504.20, Subdivision 7, is amended to read:

Subd. 7. The bad faith retention by a landlord of such the deposit, the interest thereon, or any portion thereof, in violation of this section shall subject the landlord to punitive damages not to exceed $200 in addition to any actual the damages provided in subdivision 4. Failure by the landlord to provide the written statement required by has failed to comply with the provisions of subdivision 3 and to return, his retention of the deposit shall be presumed to be in bad faith unless he returns such the deposit within two weeks after the commencement of any action for the recovery of such the deposit shall be presumed to be a bad faith retention by the landlord of such deposit.

Sec. 5. Minnesota Statutes 1976, Section 504.20, Subdivision 7a, is amended to read:

Subd. 7a. No tenant may withhold payment of all or any portion of rent for the last payment period of a residential rental agreement, except an oral or written month to month residential rental agreement concerning which neither the tenant nor landlord has served a notice to quit, on the grounds that such the deposit should serve as payment for the rent. Withholding all or any portion of rent for the last payment period of the residential rental agreement creates a rebuttable presumption that the tenant withheld the last payment on the grounds that such the deposit should serve as payment for the rent. Violation of this subdivision after written demand and notice of this subdivision shall

Changes or additions indicated by underline deletions by strikeout.
subject the tenant to damages of twice the deposit and forfeiture of any interest due on
the deposit in addition to any actual damages Any tenant who remains in violation of this
subdivision after written demand and notice of this subdivision shall be liable to the
landlord for damages in an amount equal to the portion of the deposit which the landlord
is entitled to withhold under subdivision 3 other than to remedy the tenant's default in the
payment of rent, plus interest on the deposit as provided in subdivision 2, as a penalty, in
addition to the amount of rent withheld by the tenant in violation of this subdivision.

Approved May 26, 1977.

CHAPTER 281—H.F.No.914

An act relating to human services; providing certain services to juveniles; clarifying the
authority of the juvenile court; amending Minnesota Statutes 1976, Sections 260.311,
Subdivisions 1, 3 and 5; and 402.02, Subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1976, Section 260.311, Subdivision 1, is amended to read:

260.311 HUMAN SERVICES; JUVENILES; CORRECTIONAL SERVICES;
PROBATION OFFICERS. Subdivision 1. APPOINTMENT; JOINT SERVICES;
STATE SERVICES. If a county or group of counties has established a human services
board pursuant to chapter 402, the juvenile court may appoint one or more probation
officers as necessary to perform court services, and the human services board shall
appoint persons as necessary to provide correctional services within the authority granted
in chapter 402. In all counties of more than 200,000 population, which have not organized
pursuant to chapter 402, the juvenile court shall appoint one or more persons of good
character to serve as probation officers during the pleasure of the court. All other counties
shall provide probation services to county courts in one of the following ways:

(1) The court, with the approval of the county boards, may appoint one or more
salaried probation officers to serve during the pleasure of the court;

(2) Two or more county courts or county court districts through their county
boards may jointly appoint common salaried probation officers to serve in the several
counties;

(3) A county may request the commissioner of corrections to furnish probation
services to its county court in accordance with the provisions of this section, and the
commissioner of corrections shall furnish such services to any county that fails to provide
its own probation officer by one of the two procedures listed above;

(4) All probation officers serving the juvenile courts on July 1, 1972 shall continue
to serve in the county or counties they are now serving.

Changes or additions indicated by underline deletions by strikeout
Laws of Minnesota 1984

CHAPTER 565-S.F.No. 1337
An act relating to landlords and tenants; increasing the interest rate paid by landlords on rental deposits; amending Minnesota Statutes 1982, section 504.20, subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
   Section 1. Minnesota Statutes 1982, section 504.20, subdivision 2, is amended to read:
   Subd. 2. Any deposit of money shall not be considered received in a fiduciary capacity within the meaning of section 52.17, subdivision 7, but shall be held by the landlord for the tenant who is party to the agreement and shall bear simple interest at the rate of five (5-1/2) percent per annum noncompounded, computed from the first day of the next month following the full payment of the deposit to the last day of the month in which the landlord, in good faith, complies with the requirements of subdivision 3 or to the date upon which judgment is entered in any civil action involving the landlord's liability for the deposit, whichever date is earlier. Any interest amount less than $1 shall be excluded from the provisions of this section.
   Sec. 2. [EFFECTIVE DATE.]
   Section 1 is effective October 1, 1984.
   Approved April 26, 1984
Minnesota Session Laws

Key: (1) language to be deleted (2) new language

1986, Regular Session

Laws of Minnesota 1986

CHAPTER 444-H.F.No. 1824
An act relating to statutes; adopting as amended a
gender neutral revision of Minnesota Statutes;
providing for no substantive change; granting certain
editorial authority to the revisor of statutes;
amending Minnesota Statutes 1984, sections 3C.10,
subdivision 1; and 645.44, by adding a subdivision.
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
Section 1. [REVISION ADOPTED.]
The proposed amendments to Minnesota Statutes made by the
document named "Gender Revision of 1986," certified on January
24, 1986, and filed with the secretary of state on January 24,
1986, are adopted.
Sec. 2. [CONFLICTS.]
With respect only to the treatment of gender specific
terms, an amendment adopted by section 1 prevails over a
conflicting amendment in another law enacted in 1986. In all
other respects the amendment in the other law prevails. The
revisor need not publish in Minnesota Statutes the parts of the
amendments that do not prevail.
Sec. 3. [NO SUBSTANTIVE CHANGE.]
The amendments adopted by section 1 do not change the
substance of the statutes amended.
Sec. 4. Minnesota Statutes 1984, section 3C.10,
subdivision 1, is amended to read:
Subdivision 1. [EDITORIAL POWERS FOR STATUTES.] The
revisor's office, in preparing printer's copy for editions of
statutes, may not alter the sense, meaning, or effect of any
legislative act, but may:
(a) renumber sections or subdivisions and parts of sections
or subdivisions;
(b) change the wording of headnotes;
(c) rearrange sections or subdivisions;
(d) combine sections or subdivisions into other sections or
other subdivisions, or both;
(e) divide sections or subdivisions into other sections or
subdivisions so as to give to distinct subject matters a section
or subdivision number;
(f) substitute the proper section, chapter, or subdivision
numbers for the terms "this act," "the preceding section," and
the like;
(g) substitute figures for written words and vice versa;
(h) substitute the date on which the law becomes effective
for the words "the effective date of this act," and the like;
(i) change capitalization for the purpose of uniformity;
(j) correct manifest clerical, typographical, grammatical,
or punctuation errors;
(k) correct words misspelled in enrollments;
(l) change reference numbers to agree with renumbered
chapters, sections, or subdivisions:

(1) delete the phrases "Minnesota Statutes," "Minnesota Statutes 1980," and phrases identifying other editions of and supplements to Minnesota Statutes if the phrases are used in a reference to a statutory section; and

(n) replace gender specific words with gender neutral words and, if necessary, recast the sentences containing gender specific words; and

(o) make similar editorial changes to ensure the accuracy and utility of the publication.

Sec. 5. Minnesota Statutes 1984, section 645.44, is amended by adding a subdivision to read:

Subd. 1b. [CHAIR.] "Chair" includes chairman, chairwoman, and chairperson.

Sec. 6. [AMENDMENTS.]

Volume 2 of The Gender Revision of 1986 as adopted under section 1 is amended as follows:

Page 282, line 66, strike "hunter,"
Page 282, line 67, delete "fisher" and strike "," trapper, tourist or vacationist" and insert "person"
Page 284, line 2, before "license" insert "fishing" and after the stricken "fisherman" delete "fisher" and insert "person"
Page 294, line 35, delete "fishers" and insert "licensees"
Page 296, line 13, strike "licensed" and delete "fishers" and insert "fishing licensees"
Page 296, line 17, strike "licensed" and delete "fishers" and insert "fishing licensees"
Page 300, line 53, strike "licensed" and delete "fishers" and insert "fishing licensees"

Sec. 7. [REVISOR'S INSTRUCTION.]
The revisor shall restore the term "airman" wherever it appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for it in the gender revision.

Sec. 8. [REVISOR'S INSTRUCTION.]
The revisor shall restore the term "sportsmen's club" wherever it appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for it in the gender revision.

Sec. 9. [REVISOR'S INSTRUCTION.]
The revisor shall restore the terms "father" and "mother" wherever they appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for them in the gender revision.

Sec. 10. [AMENDMENT; VOLUME 8.]

Volume 8 of the Gender Revision of 1986 as adopted under section 1 is amended as follows:

Page 370, line 48, delete "sexual capacity" and insert "virility".

Approved March 25, 1986
Laws of Minnesota 1992

CHAPTER 376-S.F.No. 720
An act relating to housing and economic development; modifying procedures relating to rent escrow actions; modifying procedures relating to the tenant's loss of essential services; modifying provisions relating to tenant remedy actions, retaliatory eviction proceedings, and receivership proceedings; modifying provisions relating to Minnesota housing finance agency low- and moderate-income housing programs; modifying certain receivership, assignment of rents and profits, and landlord and tenant provisions; modifying provisions relating to housing and redevelopment authorities; authorizing certain economic development activities within the city of St. Paul; providing for job training for homeless persons; amending Minnesota Statutes 1990, sections 268.362; 268.364, subdivision 4; 268.365, subdivision 2; 469.002, subdivision 24; 469.011, subdivision 4; 469.012, subdivisions 1 and 3; 469.015, subdivisions 3, 4, and by adding a subdivision; 504.02; 504.18, subdivision 1; 504.185, subdivision 2; 504.20, subdivisions 3, 4, 5, and 7; 504.27; 559.17, subdivision 2; 566.03, subdivision 1; 566.17, by adding a subdivision; 566.175, subdivision 6; 566.18, subdivision 9; 566.29, subdivisions 2 and 4; 566.34, subdivision 2; 576.01, subdivision 2; Minnesota Statutes 1991 Supplement, sections 481.02, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 609.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

LANDLORD AND TENANT
Section 1. Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3, is amended to read:
   Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:
      (1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;
      (2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;
      (3) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its
weatherstripping, caulking, storm window, and storm door energy
efficiency standards for renter-occupied residences prescribed
by section 216C.27, subdivisions 1 and 3, and of the local units
of government where the premises are located during the term of
the lease or license, except when violation of the health and
safety laws has been caused by the willful, malicious, or
irresponsible conduct of the lessee or licensee or a person
under the direction or control of the lessee or licensee.

The parties to a lease or license of residential premises
may not waive or modify the covenants imposed by this section.

Sec. 4. Minnesota Statutes 1990, section 504.185,
subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] When a municipality, utility
company, or other company supplying home heating oil, propane,
natural gas, electricity, or water to a building has issued a
final notice or has posted the building proposing to disconnect
or discontinued the service to the building because an owner who
has contracted for the service has failed to pay for it or
because an owner is required by law or contract to pay for the
service and fails to do so, a tenant or group of tenants may pay
to have the service continued or reconnected as provided under
this section. Before paying for the service, the tenant or
group of tenants shall give oral or written notice to the owner
of the tenant's intention to pay after 48 hours, or a shorter
period that is reasonable under the circumstances, if the owner
has not already paid for the service. In the case of oral
notification, written notice shall be mailed or delivered to the
owner within 24 hours after oral notice is given.

(a) In the case of natural gas, electricity, or water, if
the owner has not yet paid the bill by the time of the tenant's
intended payment, or if the service remains discontinued, the
tenant or tenants may pay the outstanding bill for the most
recent billing period, if the utility company or municipality
will restore the service for at least one billing period.

(b) In the case of home heating oil or propane, if the
owner has not yet paid the bill by the time of the tenant's
intended payment, or if the service remains discontinued, the
tenant or tenants may order and pay for one month's supply of
the proper grade and quality of oil or propane.

After submitting receipts for the payment to the owner, a
tenant may deduct the amount of the tenant's payment from the
rental payment next paid to the owner. Any amount paid to the
municipality, utility company, or other company by a tenant
under this subdivision is considered payment of rent to the
owner for purposes of section 504.02.

Sec. 5. Minnesota Statutes 1990, section 504.20,
subdivision 3, is amended to read:

Subd. 3. (a) Every landlord shall:

(1) within three weeks after termination of the tenancy; or
(2) within five days of the date when the tenant leaves the
building or dwelling due to the legal condemnation of the
building or dwelling in which the tenant lives for reasons not
due to willful, malicious, or irresponsible conduct of the
tenant,

and after receipt of the tenant's mailing address or delivery
instructions, return the deposit to the tenant, with interest
thereon as above provided, or furnish to the tenant a written
statement showing the specific reason for the withholding of the
deposit or any portion thereof.
(b) It shall be sufficient compliance with the time requirement of this subdivision if the deposit or written statement required by this subdivision is placed in the United States mail as first class mail, postage prepaid, in an envelope with a proper return address, correctly addressed according to the mailing address or delivery instructions furnished by the tenant, within the time required by this subdivision. The landlord may withhold from the deposit only amounts reasonably necessary:

(a) (1) to remedy tenant defaults in the payment of rent or of other funds due to the landlord pursuant to an agreement; or

(b) (2) to restore the premises to their condition at the commencement of the tenancy, ordinary wear and tear excepted.

(c) In any action concerning the deposit, the burden of proving, by a fair preponderance of the evidence, the reason for withholding all or any portion of the deposit shall be on the landlord.

Sec. 6. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to:

(1) provide a written statement within three weeks of termination of the tenancy and;

(2) provide a written statement within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant, or

(3) transfer or return a deposit as required by subdivision 5,

after receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, shall be liable to the tenant for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Sec. 7. Minnesota Statutes 1990, section 504.20, subdivision 5, is amended to read:

Subd. 5. Upon termination of the landlord's interest in the premises, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or the landlord's agent shall, within a reasonable time 60 days of termination of the interest or when the successor in interest is required to return or otherwise account for the deposit to the tenant, whichever occurs first, do one of the following acts, either of which shall relieve the landlord or agent of further liability with respect to such deposit:

(a) Transfer such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the landlord's successor in interest and thereafter notify the tenant of such transfer and of the transferee's name and address; or

(b) Return such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the tenant.

Sec. 8. Minnesota Statutes 1990, section 504.20, subdivision 7, is amended to read:

Subd. 7. The bad faith retention by a landlord of the a deposit, the interest thereon, or any portion thereof, in
violation of this section shall subject the landlord to punitive damages not to exceed $200 for each deposit in addition to the damages provided in subdivision 4. If the landlord has failed to comply with the provisions of subdivision 3 or 5, retention of the deposit shall be presumed to be in bad faith unless the landlord returns the deposit within two weeks after the commencement of any action for the recovery of the deposit.

Sec. 9. Minnesota Statutes 1990, section 504.27, is amended to read:

504.27 [REMEDIES ARE ADDITIONAL.]

The remedies provided in sections 504.24 to 504.26 are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of sections 504.24 to 504.27 is waived by a tenant is contrary to public policy and void. The provisions of sections 504.24 to 504.27 shall apply only to tenants as that term is defined in section 566.18, subdivision 2, and buildings as that term is defined in section 566.18, subdivision 7. The provisions of sections 504.24, 504.25, 504.255, and 504.26 apply to occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired.

Sec. 10. Minnesota Statutes 1990, section 566.03, subdivision 1, is amended to read:

Subdivision 1. The person entitled to the premises may recover possession in the manner provided in this section when:

(i) any person holds over lands or tenements after a sale thereof on an execution or judgment, or on foreclosure of a mortgage, and expiration of the time for redemption, or after termination of contract to convey the same, provided that if the person holding such lands or tenements after the sale, foreclosure, expiration of the time for redemption or termination is a tenant, the person has received:

(ii) at least one month's written notice of the termination of tenancy as a result of the sale, foreclosure, expiration of the time for redemption or termination, provided that the tenant pays the rent and abides by all terms of the lease; or when

(ii) at least one month's written notice to vacate no later than the date of the expiration of the time for redemption or termination, which notice shall also state that the sender will hold the tenant harmless for breaching the lease by vacating the premises if the mortgage is redeemed or the contract is reinstated;

(2) any person holds over lands or tenements after termination of the time for which they are demised or let to that person or to the persons under whom that person holds possession, or contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; or when

(3) any tenant at will holds over after the determination of any such the estate by notice to quit; in all such cases the person entitled to the premises may recover possession thereof in the manner hereinafter provided.

Sec. 11. Minnesota Statutes 1990, section 566.17, is amended by adding a subdivision to read:
CHAPTER 555-S.F.No. 2662

An act relating to commerce; regulating real estate brokers and salespersons and the real estate, education, research, and recovery fund; temporarily changing the interest rate required on a rental deposit; amending Minnesota Statutes 1990, sections 82.19, by adding a subdivision; and 82.34, subdivisions 3, 4, 7, 9, 11, 13, and 14; 504.20, subdivision 2; Minnesota Statutes 1991 Supplement, section 82.22, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 80A; repealing Minnesota Statutes 1990, section 82.34, subdivision 20.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

Section 1. [80A.041] [EXEMPTION.]

A real estate broker or agent licensed under chapter 82 who arranges for the sale of a contract for deed is exempt from the license requirement of section 80A.04 if the real estate broker or agent receives no compensation in addition to the brokerage commission or fee and represents the seller, buyer, lessor, or lessee in the sale, lease, or exchange of the subject property.

Sec. 2. Minnesota Statutes 1990, section 82.19, is amended by adding a subdivision to read:

Subd. 7. [SECURITIES SOLD BY BUSINESSES OUTSIDE SCOPE OF LICENSING.] A license issued under this chapter does not allow a licensee to engage in the business of buying, selling, negotiating, brokering, or otherwise dealing in contracts for deed, mortgages, or other evidence of indebtedness regarding real estate, except that a licensee may, if there is no compensation in addition to the brokerage commission or fee, and if the licensee represents the seller, buyer, lessor, or lessee in the sale, lease, or exchange of real estate, arrange for the sale of a contract, mortgage, or similar evidence of indebtedness for the subject property.

Sec. 3. Minnesota Statutes 1991 Supplement, section 82.22, subdivision 13, is amended to read:

Subd. 13. [CONTINUING EDUCATION.] (a) After July 1, 1987, all real estate salespersons and all real estate brokers shall be required to successfully complete 15 hours of real estate education, either as a student or a lecturer, in courses of study approved by the commissioner, each year after their initial annual renewal date or after the expiration of their currently assigned three year continuing education due date. All salespersons and brokers shall report continuing education on an annual basis no later than June 30, 1990. Hours in excess of 15 earned in any one year may be carried forward to the following year.

(b) The commissioner shall adopt rules defining the
with the plan of allocation. Any distribution made by the commissioner in accordance with this subdivision shall be deemed to satisfy and extinguish the claims of any claimant receiving a distribution against the recovery portion of the fund.

Sec. 11. [TEMPORARY ASSESSMENT.]
The commissioner may assess licensees pursuant to Minnesota Statutes, section 82.34, to pay those claims which are payable in 1992 but for which the money in the fund is insufficient to satisfy.

Sec. 12. [PENDING CLAIMS.]
The change in the per year limit contained in section 6 does not apply to a cause of action that was commenced before August 1, 1992.

Sec. 13. [REPEALER.]
Minnesota Statutes 1990, section 82.34, subdivision 20, is repealed.

Sec. 14. [EFFECTIVE DATE.]
Sections 1 to 13 are effective the day following final enactment.

ARTICLE 2

Section 1. Minnesota Statutes 1990, section 504.20, subdivision 2, is amended to read:

Subd. 2. Any deposit of money shall not be considered received in a fiduciary capacity within the meaning of section 82.17, subdivision 7, but shall be held by the landlord for the tenant who is party to the agreement and shall bear simple noncompounded interest at the rate of 5-1/2 percent per annum noncompounded until May 1, 1997, and 5-1/2 percent per annum thereafter, computed from the first day of the next month following the full payment of the deposit to the last day of the month in which the landlord, in good faith, complies with the requirements of subdivision 3 or to the date upon which judgment is entered in any civil action involving the landlord's liability for the deposit, whichever date is earlier. Any interest amount less than $1 shall be excluded from the provisions of this section.

Sec. 2. [REVIEW.]
The reversion of the interest rate to 5-1/2 percent in section 1 is subject to review by the legislature in the 1996 session.

Sec. 3. [EFFECTIVE DATE.]
Section 1 is effective the day following final enactment.

Presented to the governor April 17, 1992
Signed by the governor April 27, 1992, 2:04 p.m.
CHAPTER 357-H.F.No. 2672
An act relating to landlords and tenants; changing the interest rate on security deposits; providing for a legislative review; amending Minnesota Statutes 1994, section 504.20, subdivision 2; repealing Laws 1992, chapter 555, article 2, section 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1994, section 504.20, subdivision 2, is amended to read:

Subd. 2. Any deposit of money shall not be considered received in a fiduciary capacity within the meaning of section 82.17, subdivision 7, but shall be held by the landlord for the tenant who is party to the agreement and shall bear simple noncompounded interest at the rate of three percent per annum until May 1, 1997, and four percent per annum thereafter, computed from the first day of the next month following the full payment of the deposit to the last day of the month in which the landlord, in good faith, complies with the requirements of subdivision 3 or to the date upon which judgment is entered in any civil action involving the landlord's liability for the deposit, whichever date is earlier. Any interest amount less than $1 shall be excluded from the provisions of this section.

Sec. 2. [REVIEW.]
The reversion of the interest rate to four percent in section 1 is subject to review by the legislature in the 1998 session.

Sec. 3. [REPEALER.]
Laws 1992, chapter 555, article 2, section 2, is repealed.

Sec. 4. [EFFECTIVE DATE.]
This act is effective the day following final enactment.

Presented to the governor March 19, 1996
Signed by the governor March 21, 1996, 1:55 p.m.
CHAPTER 266-H.F.No. 2590
An act relating to landlords and tenants; correcting a reference relating to certain civil penalties; providing for interest rates on security deposits; amending Minnesota Statutes 1996, sections 504.183, subdivision 6; and 504.20, subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
Section 1. Minnesota Statutes 1996, section 504.183, subdivision 6, is amended to read:
Subd. 6. [PENALTY.] If a landlord substantially violates subdivision 2, the tenant is entitled to a penalty which may include a rent reduction up to full rescission of the lease, recovery of any damage deposit less any amount retained under section 504.20, and up to a $100 civil penalty for each violation. If a landlord violates subdivision 5, the tenant is entitled to up to a $100 civil penalty for each violation. A tenant shall follow the procedures in sections 566.18 to 566.33 to enforce the provisions of this section.

Section 2. Minnesota Statutes 1996, section 504.20, subdivision 2, is amended to read:
Subd. 2. Any deposit of money shall not be considered received in a fiduciary capacity within the meaning of section 82.17, subdivision 7, but shall be held by the landlord for the tenant who is party to the agreement and shall bear simple noncompounded interest at the rate of three percent per annum until May 1, 1999, and four percent per annum thereafter, computed from the first day of the next month following the full payment of the deposit to the last day of the month in which the landlord, in good faith, complies with the requirements of subdivision 3 or to the date upon which judgment is entered in any civil action involving the landlord's liability for the deposit, whichever date is earlier. Any interest amount less than $1 shall be excluded from the provisions of this section.

Presented to the governor March 2, 1998
Signed by the governor March 4, 1998, 10:08 a.m.
CHAPTER 199-H.F.No. 2425
An act relating to landlord and tenant; recodifying the landlord and tenant law; amending Minnesota Statutes 1998, sections 72A.20, subdivision 23; 82.24, subdivision 7; 144.9504, subdivision 7; 144A.13, subdivision 2; 144D.06; 216C.30, subdivision 5; 299C.67, subdivisions 5 and 7; 299C.69; 327C.02, subdivision 2a; 327C.03, subdivision 4; 327C.10, subdivision 1; 327C.11, subdivision 1; 363.033; 462A.05, subdivision 15; 462C.05, subdivision 8; 469.156; 471A.03, subdivision 6; 481.02, subdivision 3; 484.013, subdivision 2; 487.17; 487.24; 488A.01, subdivisions 4a and 5; 488A.11; 488A.18, subdivisions 4 and 6; 491A.01, subdivision 9; 514.977; 515B.3-116; 515B.4-111; 576.01, subdivision 2; 609.33, subdivision 6; and 609.5317, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 504B; repealing Laws 1998, chapter 253, sections 1 to 79.
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

LANDLORD AND TENANT

Section 1. [504B.001] [DEFINITIONS.]
Subdivision 1. [APPLICABILITY.] For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. [CONTROLLED SUBSTANCE.] "Controlled substance" means a drug, substance, or immediate precursor in Schedules I through V of section 152.02. The term does not include distilled spirits, wine, malt beverages, intoxicating liquors, or tobacco.

Subd. 3. [DISTRESS FOR RENT.] "Distress for rent" means the act of a landlord seizing personal property of the tenant or other person to enforce payment of rent.

Subd. 4. [EVICT OR EVICTION.] "Evict" or "eviction" means a summary court proceeding to remove a tenant or occupant from or otherwise recover possession of real property by the process of law set out in this chapter.

Subd. 5. [HOUSING-RELATED NEIGHBORHOOD ORGANIZATION.] "Housing-related neighborhood organization" means a nonprofit corporation incorporated under chapter 317A that:
(1) designates in its articles of incorporation or bylaws a specific geographic community to which its activities are limited; and
(2) is formed for the purposes of promoting community safety, crime prevention, and housing quality in a nondiscriminatory manner.

For purposes of this chapter, an action taken by a neighborhood organization with the written permission of a residential tenant means, with respect to a building with multiple dwelling units, an action taken by the neighborhood organization with the written permission of the residential tenants of a majority of the occupied units.

Subd. 6. [INSPECTOR.] "Inspector" means the person charged
defined in section 617.80, subdivision 4, to occur on the premises or in the common area and curtilage of the premises;

(iii) allow the unlawful use or possession of a firearm in violation of section 609.66, subdivision 1a, 609.67, or 624.713, on the premises or in the common area and curtilage of the premises; or

(iv) allow stolen property or property obtained by robbery in those premises or in the common area and curtilage of the premises; and

(2) the common area and curtilage of the premises will not be used by either the landlord or licensor or the tenant or licensee or others acting under the control of either to manufacture, sell, give away, barter, deliver, exchange, distribute, purchase, or possess a controlled substance in violation of any criminal provision of chapter 152. The covenant is not violated when a person other than the landlord or licensor or the tenant or licensee possesses or allows controlled substances in the premises, common area, or curtilage, unless the landlord or licensor or the tenant or licensee knew or had reason to know of that activity.

Subd. 2. [BREACH voids RIGHT TO POSSESSION.] A breach of the covenant created by subdivision 1 voids the tenant's or licensee's right to possession of the residential premises. All other provisions of the lease or license, including but not limited to the obligation to pay rent, remain in effect until the lease is terminated by the terms of the lease or operation of law. If the tenant or licensee breaches the covenant created by subdivision 1, the landlord may bring, or assign to the county attorney of the county in which the residential premises are located, the right to bring an eviction action against the tenant or licensee. The assignment must be in writing on a form provided by the county attorney, and the county attorney may determine whether to accept the assignment. If the county attorney accepts the assignment of the landlord's right to bring an eviction action:

(1) any court filing fee that would otherwise be required in an eviction action is waived; and

(2) the landlord retains all the rights and duties, including removal of the tenant's or licensee's personal property, following issuance of the writ of recovery of premises and order to vacate and delivery of the writ to the sheriff for execution.

Subd. 3. [WAIVER NOT ALLOWED.] The parties to a lease or license of residential premises may not waive or modify the covenant imposed by this section.

Sec. 16. [504B.178] [INTEREST ON SECURITY DEPOSITS; WITHHOLDING SECURITY DEPOSITS; DAMAGES; LIMIT ON WITHHOLDING LAST MONTH'S RENT.]

Subdivision 1. [APPLICABILITY.] Any deposit of money, the function of which is to secure the performance of a residential rental agreement or any part of such an agreement, other than a deposit which is exclusively an advance payment of rent, shall be governed by the provisions of this section.

Subd. 2. [INTEREST.] Any deposit of money shall not be considered received in a fiduciary capacity within the meaning of section 82.17, subdivision 7, but shall be held by the landlord for the tenant who is party to the agreement and shall bear simple noncompounded interest at the rate of three percent per annum until May 1, 2001, and four percent per annum
thereafter, computed from the first day of the next month following the full payment of the deposit to the last day of the month in which the landlord, in good faith, complies with the requirements of subdivision 3 or to the date upon which judgment is entered in any civil action involving the landlord's liability for the deposit, whichever date is earlier. Any interest amount less than $1 shall be excluded from the provisions of this section.

Subd. 3. [RETURN OF SECURITY DEPOSIT.] (a) Every landlord shall:
   (1) within three weeks after termination of the tenancy; or
   (2) within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant, and after receipt of the tenant's mailing address or delivery instructions, return the deposit to the tenant, with interest thereon as provided in subdivision 2, or furnish to the tenant a written statement showing the specific reason for the withholding of the deposit or any portion thereof.
   (b) It shall be sufficient compliance with the time requirement of this subdivision if the deposit or written statement required by this subdivision is placed in the United States mail as first class mail, postage prepaid, in an envelope with a proper return address, correctly addressed according to the mailing address or delivery instructions furnished by the tenant, within the time required by this subdivision. The landlord may withhold from the deposit only amounts reasonably necessary:
      (1) to remedy tenant defaults in the payment of rent or of other funds due to the landlord pursuant to an agreement; or
      (2) to restore the premises to their condition at the commencement of the tenancy, ordinary wear and tear excepted.
   (c) In any action concerning the deposit, the burden of proving, by a fair preponderance of the evidence, the reason for withholding all or any portion of the deposit shall be on the landlord.

Subd. 4. [ DAMAGES.] Any landlord who fails to:
   (1) provide a written statement within three weeks of termination of the tenancy;
   (2) provide a written statement within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant; or
   (3) transfer or return a deposit as required by subdivision 5,
   after receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, is liable to the tenant for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Subd. 5. [RETURN OF DEPOSIT.] Upon termination of the landlord's interest in the premises, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or the landlord's agent shall, within 60 days of
CHAPTER 282-H.F.No. 3132

An act relating to landlords and tenants; providing for interest rates on security deposits; amending Minnesota Statutes 1999 Supplement, section 504B.178, subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1999 Supplement, section 504B.178, subdivision 2, is amended to read:

Subd. 2. [INTEREST.] Any deposit of money shall not be considered received in a fiduciary capacity within the meaning of section 82.17, subdivision 7, but shall be held by the landlord for the tenant who is party to the agreement and shall bear simple noncompounded interest at the rate of three percent per annum until May 1, 2001, and four percent per annum thereafter, computed from the first day of the next month following the full payment of the deposit to the last day of the month in which the landlord, in good faith, complies with the requirements of subdivision 3 or to the date upon which judgment is entered in any civil action involving the landlord's liability for the deposit, whichever date is earlier. Any interest amount less than $1 shall be excluded from the provisions of this section.

Presented to the governor March 21, 2000
Signed by the governor March 24, 2000, 10:47 a.m.
CHAPTER 52-S.F.No. 645
An act relating to landlords and tenants; providing for assignment of certain eviction actions to city attorney; providing for interest rates on security deposits; amending Minnesota Statutes 2002, sections 504B.171, subdivision 2; 504B.178, subdivision 2.
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
Section 1. Minnesota Statutes 2002, section 504B.171, subdivision 2, is amended to read:
Subd. 2. [BREACH VOIDS RIGHT TO POSSESSION.] A breach of the covenant created by subdivision 1 voids the tenant's or licensee's right to possession of the residential premises. All other provisions of the lease or license, including but not limited to the obligation to pay rent, remain in effect until the lease is terminated by the terms of the lease or operation of law. If the tenant or licensee breaches the covenant created by subdivision 1, the landlord may bring, or assign to the county or city attorney of the county or city in which the residential premises are located, the right to bring an eviction action against the tenant or licensee. The assignment must be in writing on a form provided by the county or city attorney, and the county or city attorney may determine whether to accept the assignment. If the county or city attorney accepts the assignment of the landlord's right to bring an eviction action:
(1) any court filing fee that would otherwise be required in an eviction action is waived; and
(2) the landlord retains all the rights and duties, including removal of the tenant's or licensee's personal property, following issuance of the writ of recovery of premises and order to vacate and delivery of the writ to the sheriff for execution.
Sec. 2. Minnesota Statutes 2002, section 504B.178, subdivision 2, is amended to read:
Subd. 2. [INTEREST.] Any deposit of money shall not be considered received in a fiduciary capacity within the meaning of section 92.17, subdivision 7, but shall be held by the landlord for the tenant who is party to the agreement and shall bear simple noncompounded interest at the rate of three percent per annum until May 1, 2004 August 1, 2003, and four one percent per annum thereafter, computed from the first day of the next month following the full payment of the deposit to the last day of the month in which the landlord, in good faith, complies with the requirements of subdivision 3 or to the date upon which judgment is entered in any civil action involving the landlord's liability for the deposit, whichever date is earlier. Any interest amount less than $1 shall be excluded from the provisions of this section.
Presented to the governor May 13, 2003
Signed by the governor May 16, 2003, 4:07 p.m.
CHAPTER 177–S.F.No. 2908

An act relating to landlord and tenant; providing for certain notices relating to foreclosure; amending Minnesota Statutes 2006, sections 504B.151; 504B.178, subdivision 8; 504B.285, subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2006, section 504B.151, is amended to read:

504B.151 RESTRICTION ON RESIDENTIAL LEASE TERMS FOR BUILDINGS IN FINANCIAL DISTRESS; REQUIRED NOTICE OF PENDING FORECLOSURE.

Subdivision 1. **Limitation on lease and notice to tenant.** (a) Once a landlord has received notice of a contract for deed cancellation under section 559.21 or notice of a mortgage foreclosure sale under chapter 580 or 582, the landlord may only enter into (i) a periodic residential lease agreement with a term of not more than two months or the time remaining in the contract cancellation period or the mortgagor's redemption period, whichever is less or (ii) a fixed term residential tenancy not extending beyond the cancellation period or the landlord's period of redemption until:

1. The contract for deed has been reinstated or paid in full;
2. The mortgage default has been cured and the mortgage reinstated;
3. The mortgage has been satisfied;
4. The property has been redeemed from a foreclosure sale; or
5. A receiver has been appointed.

(b) Before entering into a lease under this section and accepting any rent or security deposit from a tenant, the landlord must notify the prospective tenant in writing that the landlord has received notice of a contract for deed cancellation or notice of a mortgage foreclosure sale as appropriate, and the date on which the contract cancellation period or the mortgagor's redemption period ends.

(c) This section does not apply to a manufactured home park as defined in section 327C.01, subdivision 5.

Subd. 2. **Exception allowing a longer term lease.** This section does not apply if:

1. The holder or the mortgagee agrees not to terminate the tenant's lease other than for lease violations for at least one year from the commencement of the tenancy; and
2. The lease does not require the tenant to prepay rent for any month commencing after the end of the cancellation or redemption period, so that the rent payment would be due prior to the end of the cancellation or redemption period.
For the purposes of this section, a holder means a contract for deed vendor or a holder of the sheriff's certificate of sale or any assignee of the contract for deed vendor or of the holder of the sheriff's certificate of sale.

Subd. 3. Transfer of tenancy by operation of law. (a) A tenant who enters into a lease under subdivision 2 is:

(1) deemed by operation of law to become the tenant of the holder immediately upon the holder succeeding to the interest of the landlord under the lease; and

(2) bound to the holder under all the provisions of the lease for either the balance of the lease term or for one year after the start of the tenancy, whichever occurs first.

(b) A tenant who becomes the tenant of the holder under this subdivision is not obligated to pay rent to the holder until the holder mails, by first class mail to the tenant at the property address, written notice that the holder has succeeded to the interest of the landlord. A letter from the holder to the tenant to that effect is prima facie evidence that the holder has succeeded to the interest of the landlord.

Subd. 4. Holder not bound by certain acts. A holder succeeding to an interest in a lease lawfully entered into under subdivision 2 is not: (1) liable for any act or omission of any prior landlord; (2) subject to any offset or defense which the tenant had against any prior landlord; or (3) bound by any modification of the lease entered into under subdivision 2, unless the modification is made with the holder's consent.

Sec. 2. Minnesota Statutes 2006, section 504B.178, subdivision 8, is amended to read:

Subd. 8. Withholding rent. No tenant may withhold payment of all or any portion of rent for the last payment period of a residential rental agreement, except an oral or written month to month residential rental agreement concerning which neither the tenant nor landlord has served a notice to quit, or for the last month of a contract for deed cancellation period under section 559.21 or a mortgage foreclosure redemption period under chapter 580 or 582, on the grounds that the deposit should serve as payment for the rent. Withholding all or any portion of rent for the last payment period of the residential rental agreement creates a rebuttable presumption that the tenant withheld the last payment on the grounds that the deposit should serve as payment for the rent. Any tenant who remains in violation of this subdivision after written demand and notice of this subdivision shall be liable to the landlord for the following:

(1) a penalty in an amount equal to the portion of the deposit which the landlord is entitled to withhold under subdivision 3 other than to remedy the tenant's default in the payment of rent; and

(2) interest on the whole deposit as provided in subdivision 2, in addition to the amount of rent withheld by the tenant in violation of this subdivision.

Sec. 3. Minnesota Statutes 2006, section 504B.285, subdivision 1, is amended to read:

Subdivision 1. Grounds. The person entitled to the premises may recover possession by eviction when:

(1) any person holds over real property:

(i) after a sale of the property on an execution or judgment; or
(ii) on foreclosure of a mortgage and after the expiration of the time for redemption; on foreclosure of a mortgage, or

(iii) after termination of contract to convey the property, provided that if the person holding the real property after the expiration of the time for redemption or termination was a tenant during the redemption or termination period, the person entered into the lease of any duration after the date of the notice of mortgage foreclosure or contract for deed cancellation and prior to the expiration of the time for redemption or termination, and the person has received:

(A) at least one month's two months' written notice to vacate no sooner than one month after the expiration of the time for redemption or termination, provided that the tenant pays the rent and abides by all terms of the lease; or

(B) at least one month's two months' written notice to vacate no later than the date of the expiration of the time for redemption or termination, which notice shall also state that the sender will hold the tenant harmless for breaching the lease by vacating the premises if the mortgage is redeemed or the contract is reinstated;

(2) any person holds over real property after termination of the time for which it is demised or leased to that person or to the persons under whom that person holds possession, contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; or

(3) any tenant at will holds over after the termination of the tenancy by notice to quit.

Sec. 4. EFFECTIVE DATE.

Section 1 is effective for leases entered into on or after August 1, 2008. Section 2 is effective for cancellations of contracts for deed or mortgage foreclosures commenced on or after August 1, 2008. Section 3 is effective for mortgage redemption periods expiring on or after August 1, 2008.

Presented to the governor April 3, 2008

Signed by the governor April 4, 2008, 4:12 p.m.
CHAPTER 123–S.F.No. 1147

An act relating to real property; modifying provisions governing orders to secure vacant property; specifying notice requirements; modifying provisions governing the reduced redemption period for abandoned property; establishing a duty to protect vacant foreclosed property under certain circumstances; providing for the imposition of fines for failure to maintain property; altering the posting requirement for trespassing on construction sites; modifying provisions governing public nuisances; imposing civil and criminal penalties; amending Minnesota Statutes 2008, sections 463.251, subdivisions 2, 3; 504B.151, subdivision 1; 504B.178, subdivision 8; 580.021, subdivision 1; 580.04; 580.041, subdivision 1a; 580.042, subdivision 1; 582.031; 582.032, subdivisions 2, 4, 5, 7; 609.605, subdivision 1; 617.80, subdivision 7, by adding a subdivision; 617.81, subdivisions 2, 4.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2008, section 463.251, subdivision 2, is amended to read:

Subd. 2. Order; notice. (a) If in any city a building becomes vacant or unoccupied and is deemed hazardous due to the fact that the building is open to trespass and has not been secured and the building could be made safe by securing the building, the governing body may order the building secured and shall cause notice of the order to be served upon the owner of record of the premises or the owner’s agent, the taxpayer identified in the property tax records for that parcel, the holder of the mortgage or sheriff’s certificate, and any neighborhood association for the neighborhood in which the building is located that has requested notice, by delivering or mailing a copy to the owner or agent, the identified taxpayer, the holder of the mortgage or sheriff’s certificate, and the neighborhood association, at the last known address. Service by mail is complete upon mailing.

(b) The notice under this subdivision must include a statement that:

(1) informs the owner and the holder of any mortgage or sheriff’s certificate of the requirements of subdivision 3 and that costs may be assessed against the property if the person does not secure the building;

(2) informs the owner and the holder of any mortgage or sheriff’s certificate that the person may request a hearing before the governing body challenging the governing body's determination that the property is vacant or unoccupied and hazardous; and

(3) notifies the holder of any sheriff’s certificate of the holder’s duty under section 582.031, subdivision 1, paragraph (b), to enter the premises to protect the premises from waste and trespass if the order is not challenged or set aside and there is prima facie evidence of abandonment of the property as described in section 582.032, subdivision 7.

Sec. 2. Minnesota Statutes 2008, section 463.251, subdivision 3, is amended to read:
Subd. 3. Securing building by city; lien. If the owner of the building or a holder of the sheriff's certificate of sale fails to either comply or provide to the governing body a reasonable plan and schedule to comply with an order issued under subdivision 2 or to request a hearing on the order within 14 days after the order is served, the governing body shall cause the building to be properly secured and the cost of securing the building may be charged against the real estate as provided in section 463.21. In the metropolitan area, as defined in section 473.121, subdivision 2, the governing body may work with neighborhood associations to develop and implement plans to secure vacant buildings in a timely and cost-effective fashion. The city may use rehabilitation and revitalization funds in implementing this section.

Sec. 3. Minnesota Statutes 2008, section 504B.151, subdivision 1, is amended to read:

Subdivision 1. Limitation on lease and notice to tenant. (a) Once a landlord has received notice of a contract for deed cancellation under section 559.21 or notice of a mortgage foreclosure sale under chapter 580 or 582, or summons and complaint under chapter 581, the landlord may only enter into (i) a periodic residential lease agreement with a term of not more than two months or the time remaining in the contract cancellation period or the mortgagor's redemption period, whichever is less or (ii) a fixed term residential tenancy not extending beyond the cancellation period or the landlord's period of redemption until:

(1) the contract for deed has been reinstated or paid in full;
(2) the mortgage default has been cured and the mortgage reinstated;
(3) the mortgage has been satisfied;
(4) the property has been redeemed from a foreclosure sale; or
(5) a receiver has been appointed.

(b) Before entering into a lease under this section and accepting any rent or security deposit from a tenant, the landlord must notify the prospective tenant in writing that the landlord has received notice of a contract for deed cancellation or notice of a mortgage foreclosure sale as appropriate, and the date on which the contract cancellation period or the mortgagor's redemption period ends.

(c) This section does not apply to a manufactured home park as defined in section 327C.01, subdivision 5.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to leases entered into on or after that date.

Sec. 4. Minnesota Statutes 2008, section 504B.178, subdivision 8, is amended to read:

Subd. 8. Withholding rent. No tenant may withhold payment of all or any portion of rent for the last payment period of a residential rental agreement, except an oral or written month to month residential rental agreement concerning which neither the tenant nor landlord has served a notice to quit, or for the last month of a contract for deed cancellation period under section 559.21 or a mortgage foreclosure redemption period under chapter 580, 581, or 582, on the grounds that the deposit should serve as payment for the rent. Withholding all or any portion of rent for the last payment period of the residential rental agreement creates a rebuttable presumption that the tenant withheld the last payment on the grounds that the deposit should serve as payment for the rent. Any
tenant who remains in violation of this subdivision after written demand and notice of this subdivision shall be liable to the landlord for the following:

1) a penalty in an amount equal to the portion of the deposit which the landlord is entitled to withhold under subdivision 3 other than to remedy the tenant’s default in the payment of rent; and

2) interest on the whole deposit as provided in subdivision 2, in addition to the amount of rent withheld by the tenant in violation of this subdivision.

**EFFECTIVE DATE.** This section is effective August 1, 2009, and applies to cancellations of contracts for deed in which the notice of cancellation is first served or published on or after August 1, 2009, and mortgage foreclosures under chapter 581 in which the lis pendens is recorded on or after August 1, 2009.

Sec. 5. Minnesota Statutes 2008, section 580.021, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This section applies to foreclosure of mortgages by advertisement under this chapter and foreclosure of mortgages by action under chapter 581 on property consisting of one to four family dwelling units, one of which the owner occupies as the owner’s principal place of residency on the date of service of the notice of sale of the owner when the notice of pendency under section 580.032 or the lis pendens for a foreclosure under chapter 581 is recorded.

**EFFECTIVE DATE.** This section is effective for foreclosures in which the notice of pendency under section 580.032 or the lis pendens for a foreclosure under chapter 581 is recorded on or after August 1, 2009.

Sec. 6. Minnesota Statutes 2008, section 580.04, is amended to read:

**580.04 REQUISITES OF NOTICE.**

Each notice shall specify or contain:

1) the name of the mortgagor, the mortgagee, each assignee of the mortgage, if any, and the original or maximum principal amount secured by the mortgage;

2) the date of the mortgage, and when and where recorded, except where the mortgage is upon registered land, in which case the notice shall state that fact, and when and where registered;

3) the amount claimed to be due on the mortgage on the date of the notice;

4) a description of the mortgaged premises, conforming substantially to that contained in the mortgage; and the commonly used street address of the mortgaged premises;

5) the time and place of sale;

6) the time allowed by law for redemption by the mortgagor, the mortgagor’s personal representatives or assigns; and

7) if the party foreclosing the mortgage desires to preserve the right to reduce the redemption period under section 582.032 after the first publication of the notice, the notice must also state for mortgaged premises described in section 582.032, subdivision 1, the following statement in capital letters: “THE TIME ALLOWED BY LAW
FOR REDEMPTION BY THE MORTGAGOR, THE MORTGAGOR'S PERSONAL REPRESENTATIVES OR ASSIGNS, MAY BE REDUCED TO FIVE WEEKS IF A JUDICIAL ORDER IS ENTERED UNDER MINNESOTA STATUTES, SECTION 582.032, DETERMINING, AMONG OTHER THINGS, THAT THE MORTGAGED PREMISES ARE IMPROVED WITH A RESIDENTIAL DWELLING OF LESS THAN FIVE UNITS, ARE NOT PROPERTY USED IN AGRICULTURAL PRODUCTION, AND ARE ABANDONED."

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to notices of sale first published on or after that date.

Sec. 7. Minnesota Statutes 2008, section 580.041, subdivision 1a, is amended to read:

Subd. 1a. Applicability. This section applies to foreclosure of mortgages by advertisement under this chapter and foreclosure of mortgages by action under chapter 581 on property consisting of one to four family dwelling units, one of which the owner occupies as the owner's principal place of residency on the date of service of the notice of sale on the owner when the notice of pendency under section 580.032 or the lis pendens for a foreclosure under chapter 581 is recorded.

EFFECTIVE DATE. This section is effective for foreclosures in which the notice of pendency under section 580.032 or the lis pendens for a foreclosure under chapter 581 is recorded on or after August 1, 2009.

Sec. 8. Minnesota Statutes 2008, section 580.042, subdivision 1, is amended to read:

Subdivision 1. Applicability. This section applies to foreclosure of mortgages by advertisement under this chapter and foreclosure of mortgages by action under chapter 581 on property consisting of one to four family dwelling units, one or more of which are occupied by a tenant as a residence.

EFFECTIVE DATE. This section is effective for foreclosures in which the notice of pendency under section 580.032 or the lis pendens for a foreclosure under chapter 581 is recorded on or after August 1, 2009.

Sec. 9. Minnesota Statutes 2008, section 582.031, is amended to read:

582.031 LIMITED RIGHT OF ENTRY; DUTY TO ENTER AND PROTECT PREMISES.

Subdivision 1. Right of entry. (a) If premises described in a mortgage or sheriff's certificate are vacant or unoccupied, the holder of the mortgage or sheriff's certificate or the holder's agents and contractors may enter upon the premises to protect the premises from waste and trespass, until the holder of the mortgage or sheriff's certificate receives notice that the premises are occupied. The holder of the mortgage or sheriff's certificate does not become a mortgagee in possession by taking actions authorized or required under this section. An affidavit of the sheriff, the building or housing regulatory authority of a municipality in which the property is located, the holder of the mortgage or sheriff's certificate, or a person acting on behalf of the holder, describing the premises and stating that the same are vacant or unoccupied, is prima facie evidence of the facts stated in the affidavit and is entitled to be recorded in the office of the
county recorder or the registrar of titles in the county where the premises are located, if it
contains a legal description of the premises.

(b) If the holder of a sheriff's certificate knows that there is prima facie evidence of
abandonment of the property, as described in section 582.032, subdivision 7, clauses (1)
to (6), the holder or the holder's agents:

(1) shall enter the premises and make reasonable periodic inspections, install or
change the locks on all doors, install locks on all windows that do not have locks, and
ensure that any existing window locks are functioning properly; and

(2) may, to protect the premises from waste, trespass, or falling below minimum
community standards for public safety and sanitation, enter the premises and board
windows, doors, and other openings; install and operate an alarm system; and otherwise
prevent or minimize damage to the premises from the elements, vandalism, trespass,
or other illegal activity.

(c) Upon an installation or change of locks as required by this section, the holder of
a sheriff's certificate must deliver a key to the premises to the mortgagee or any person
lawfully claiming through the mortgagee, upon request.

Subd. 2. Authorized actions. The holder of the mortgage or sheriff's certificate may
take the following actions to protect the premises from waste, trespass, or from falling
below minimum community standards for public safety and sanitation: make reasonable
periodic inspections, install or change locks on doors and windows, board windows,
doors, and other openings; install and operate an alarm system, and otherwise prevent or
minimize damage to the premises from the elements, vandalism, trespass, or other illegal
activities. If the holder of the mortgage or sheriff's certificate installs or changes locks
under this section, a key to the premises must be promptly delivered to the mortgagee or
any person lawfully claiming through the mortgagee, upon request.

Subd. 3. Costs. All costs incurred by the holder of the mortgage or sheriff's
certificate to protect the premises from waste or trespass or from falling below minimum
community standards for public safety and sanitation may be added to the principal
balance of the mortgage or the costs allowable upon redemption. The costs may bear
interest to the extent provided in the mortgage and may be added to the redemption price
if the costs are incurred after a foreclosure sale. If the costs are incurred after a foreclosure
sale, the holder of any sheriff's certificate of sale or certificate of redemption must comply
with the provisions of section 582.03. The provisions of this section are in addition to, and
do not limit or replace, any other rights or remedies available to holders of mortgages and
sheriff's certificates, at law or under the applicable mortgage agreements.

Sec. 10. Minnesota Statutes 2008, section 582.032, subdivision 2, is amended to read:

Subd. 2. Before foreclosure sale. Notwithstanding section 580.23 or 581.10, if at
any time before the foreclosure sale but not more than 30 days before the first publication
of the notice of sale, a court order is entered reducing the mortgagee's redemption period to
five weeks under subdivision 7, after the mortgaged premises have been sold as provided in
chapter 580 or 581, the mortgagee, and the mortgagee's personal representatives or assigns,
within five weeks after the sale under chapter 580, or within five weeks after the date of
the order confirming the sale under chapter 581, may redeem the mortgaged premises as
provided in section 580.23, subdivision 1, or 581.10, as applicable. If an order is obtained.
after the first publication of the notice of sale, the five-week redemption period applies only if the notice of sale contained the statement required by section 580.04, clause (7).

**EFFECTIVE DATE.** This section is effective August 1, 2009, and applies to foreclosures for which the notice of sale is first published on or after that date.

Sec. 11. Minnesota Statutes 2008, section 582.032, subdivision 4, is amended to read:

Subd. 4. **Summons and complaint.** In a foreclosure by advertisement, the party foreclosing a mortgage or holding the sheriff's certificate of sale or the political subdivision in which the mortgaged premises are located may initiate a proceeding in district court to reduce the mortgagor's redemption period under this section. The proceeding must be initiated by the filing of a complaint, naming the mortgagor, or the mortgagor's personal representatives or assigns of record, as defendant, in district court for the county in which the mortgaged premises are located. If the proceeding is initiated by a political subdivision, the party foreclosing the mortgage or holding the sheriff's certificate of sale must also be named as a defendant, and the summons and complaint shall be delivered by certified mail to the foreclosing attorney. If the proceeding is commenced after the foreclosure sale, the holders of junior liens and interests entitled to notice under subdivision 3 must also be named as defendants. The complaint must identify the mortgaged premises by legal description and must identify the mortgage by the names of the mortgagor and mortgagee, and any assignee of the mortgagee; the date of its making; and pertinent recording information. The complaint must allege that the mortgaged premises are:

1. ten acres or less in size;
2. improved with a residential dwelling consisting of less than five units, which is not a model home or a dwelling under construction;
3. not property used in agricultural production; and
4. abandoned.

The complaint must request an order reducing the mortgagor's redemption period to five weeks. When the complaint has been filed, the court shall issue a summons commanding the person or persons named in the complaint to appear before the court on a day and at a place stated in the summons. The appearance date shall be not less than 15 nor more than 25 days from the date of the issuing of the summons. A copy of the filed complaint must be attached to the summons.

Sec. 12. Minnesota Statutes 2008, section 582.032, subdivision 5, is amended to read:

Subd. 5. **Order to show cause.** In a foreclosure by action, the plaintiff or the holder of the sheriff's certificate may make a motion to reduce the mortgagor's redemption period under this section. The political subdivision in which the mortgaged premises are located may intervene in the action and make a motion to reduce the redemption period. The motion must conform generally to the pleading requirements provided in subdivision 4. For purposes of the motion, the court has continuing jurisdiction over the parties and the mortgaged premises through the expiration of the redemption period. When the motion has been filed, the court shall issue an order to show cause commanding the parties it considers appropriate to appear before the court on a day and at a place stated in the order. The appearance date may not be less than 15 nor more than 25 days after the date of the order to show cause. A copy of the motion must be attached to the order to show cause.
Sec. 13. Minnesota Statutes 2008, section 582.032, subdivision 7, is amended to read:

Subd. 7. Hearing; evidence; order. At the hearing on the summons and complaint or order to show cause, the court shall enter an order reducing the mortgagor's redemption period as provided in subdivision 2 or 3, as applicable, if evidence is presented supporting the allegations in the complaint or motion and no appearance is made to oppose the relief sought. An affidavit by the sheriff or a deputy sheriff of the county in which the mortgaged premises are located, or of a building inspector, zoning administrator, housing official, or other municipal or county official having jurisdiction over the mortgaged premises, stating that the mortgaged premises are not actually occupied and further setting forth any of the following supporting facts, is prima facie evidence of abandonment:

(1) windows or entrances to the premises are boarded up or closed off, or multiple window panes are broken and unrepai red;
(2) doors to the premises are smashed through, broken off, unhung, or continuously unlocked;
(3) gas, electric, or water service to the premises has been terminated;
(4) rubbish, trash, or debris has accumulated on the mortgaged premises;
(5) the police or sheriff's office has received at least two reports of tresspassers on the premises, or of vandalism or other illegal acts being committed on the premises; or
(6) the premises are deteriorating and are either below or are in imminent danger of falling below minimum community standards for public safety and sanitation.

An affidavit of the party foreclosing the mortgage or holding the sheriff's certificate, or one of their agents or contractors, stating any of the above supporting facts, and that the affiant has changed locks on the mortgaged premises under section 582.031 and that for a period of ten days no party having a legal possessory right has requested entrance to the premises, is also prima facie evidence of abandonment. Either affidavit described above, or an affidavit from any other person having knowledge, may state facts supporting any other allegations in the complaint or motion and is prima facie evidence of the same. Written statements of the mortgagor, the mortgagor's personal representatives or assigns, including documents of conveyance, which indicate a clear intent to abandon the premises, are conclusive evidence of abandonment. In the absence of affidavits or written statements, or if rebuttal evidence is offered by the defendant or a party lawfully claiming through the defendant, the court may consider any competent evidence, including oral testimony, concerning any allegation in the complaint or motion. A defendant's failure to appear at the hearing after service of process in compliance with subdivision 6 is conclusive evidence of abandonment by the defendant, subject to vacation under Rule 60.02 of the Minnesota Rules of Civil Procedure. An order entered under this section must contain a legal description of the mortgaged premises.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to orders issued before, on, or after the effective date.

Sec. 14. Minnesota Statutes 2008, section 609.605, subdivision 1, is amended to read:

Subdivision 1. Misdemeanor. (a) The following terms have the meanings given them for purposes of this section.

(1) "Premises" means real property and any appurtenant building or structure.
(2) "Dwelling" means the building or part of a building used by an individual as a place of residence on either a full-time or a part-time basis. A dwelling may be part of a multidwelling or multipurpose building, or a manufactured home as defined in section 168.002, subdivision 16.

(3) "Construction site" means the site of the construction, alteration, painting, or repair of a building or structure.

(4) "Owner or lawful possessor," as used in paragraph (b), clause (9), means the person on whose behalf a building or dwelling is being constructed, altered, painted, or repaired and the general contractor or subcontractor engaged in that work.

(5) "Posted," as used:

(i) in paragraph (b), clause (4), means the placement of a sign at least 8-1/2 inches by 11 inches in a conspicuous place on the exterior of the building, or in a conspicuous place within the property on which the building is located. The sign must carry a general notice warning against trespass;

(ii) in paragraph (b), clause (9), means the placement of a sign at least 8-1/2 inches by 11 inches in a conspicuous place on the exterior of the building that is under construction, alteration, or repair, and additional signs in at least two conspicuous places for each ten acres being protected; or in a conspicuous place within the area being protected. If the area being protected is less than three acres, one additional sign must be conspicuously placed within that area. If the area being protected is three acres but less than ten acres, two additional signs must be conspicuously placed within that area. For each additional full ten acres of area being protected beyond the first ten acres of area, two additional signs must be conspicuously placed within the area being protected. The sign must carry an appropriate general notice and the name of the person giving the notice, followed by the word "owner" if the person giving the notice is the holder of legal title to the land on which the construction site is located or by the word "occupant" if the person giving the notice is not the holder of legal title but is a lawful occupant of the land warning against trespass; and

(iii) in paragraph (b), clause (10), means the placement of signs that:

(A) state "no trespassing" or similar terms carry a general notice warning against trespass;

(B) display letters at least two inches high;

(C) state that Minnesota law prohibits trespassing on the property; and

(D) are posted in a conspicuous place and at intervals of 500 feet or less.

6) "Business licensee," as used in paragraph (b), clause (9), includes a representative of a building trades labor or management organization.

7) "Building" has the meaning given in section 609.581, subdivision 2.

(b) A person is guilty of a misdemeanor if the person intentionally:

(1) permits domestic animals or fowls under the actor's control to go on the land of another within a city;

(2) interferes unlawfully with a monument, sign, or pointer erected or marked to designate a point of a boundary, line or a political subdivision, or of a tract of land;
(3) trespasses on the premises of another and, without claim of right, refuses to depart from the premises on demand of the lawful possessor;

(4) occupies or enters the dwelling or locked or posted building of another, without claim of right or consent of the owner or the consent of one who has the right to give consent, except in an emergency situation;

(5) enters the premises of another with intent to take or injure any fruit, fruit trees, or vegetables growing on the premises, without the permission of the owner or occupant;

(6) enters or is found on the premises of a public or private cemetery without authorization during hours the cemetery is posted as closed to the public;

(7) returns to the property of another with the intent to abuse, disturb, or cause distress in or threaten another, after being told to leave the property and not to return, if the actor is without claim of right to the property or consent of one with authority to consent;

(8) returns to the property of another within one year after being told to leave the property and not to return, if the actor is without claim of right to the property or consent of one with authority to consent;

(9) enters the locked or posted construction site of another without the consent of the owner or lawful possessor, unless the person is a business licensee; or

(10) enters the locked or posted aggregate mining site of another without the consent of the owner or lawful possessor, unless the person is a business licensee.

**EFFECTIVE DATE.** This section is effective August 1, 2009, and applies to crimes committed on or after that date.

Sec. 15. Minnesota Statutes 2008, section 617.80, subdivision 7, is amended to read:

Subd. 7. **Owner.** "Owner," for purposes of sections 617.80 to 617.87, means the person in whose name the building or affected portion is recorded with the county auditor for taxation purposes: a person having legal title to the premises, a mortgagee or vendee in possession, a trustee in bankruptcy, a receiver, or any other person having legal ownership or control of the premises.

Sec. 16. Minnesota Statutes 2008, section 617.80, is amended by adding a subdivision to read:

Subd. 7a. **Occupant.** "Occupant" means a person who occupies or resides in a building or rental unit with the permission of the owner or a tenant or lessee.

Sec. 17. Minnesota Statutes 2008, section 617.81, subdivision 2, is amended to read:

Subd. 2. **Acts constituting a nuisance.** (a) For purposes of sections 617.80 to 617.87, a public nuisance exists (1) upon proof of one or more separate behavioral incidents described in item (i), (v), or (vi), or (2) upon proof of two or more separate behavioral incidents described in item (ii), (iii), (iv), or (vi), or (vi) within the previous 12 months within the building:

(i) prostitution or prostitution-related activity committed within the building;

(ii) gambling or gambling-related activity committed within the building;

(iii) maintaining a public nuisance in violation of section 609.74, clause (1) or (3);
(iv) permitting a public nuisance in violation of section 609.745;

(v) unlawful sale, possession, storage, delivery, giving, manufacture, cultivation, or use of controlled substances committed within the building;

(vi) unlicensed sales of alcoholic beverages committed within the building in violation of section 340A.401;

(vii) unlawful sales or gifts of alcoholic beverages by an unlicensed person committed within the building in violation of section 340A.503, subdivision 2, clause (1);

(viii) unlawful sales or gifts of alcoholic beverages committed within the building in violation of section 340A.401 or 340A.503, subdivision 2, clause (1), if multiple violations occur during the same behavioral incident when the building is not occupied by the owner or a tenant, lessee, or occupant;

(ix) unlawful use or possession of a dangerous weapon as defined in section 609.02, subdivision 6, committed within the building; or

(x) violation by a commercial enterprise of local or state business licensing regulations, ordinances, or statutes prohibiting the maintenance of a public nuisance as defined in section 609.74 or the control of a public nuisance as defined in section 609.745.

(b) If the building contains more than one rental unit, two or more behavioral incidents must consist of conduct:

(1) anywhere in the building by the same tenant, lessee, occupant, or persons acting in conjunction with or under the control of the same tenant, lessee, or occupant;

(2) by any persons within the same rental unit while occupied by the same tenant, lessee, or occupant, or within two or more rental units while occupied by the same tenant, lessee, or occupant; or

(3) by the owner of the building or persons acting in conjunction with or under the control of the owner.

(c) Proof of a nuisance exists if each of the elements of the conduct constituting the nuisance is established by clear and convincing evidence.

Sec. 18. Minnesota Statutes 2008, section 617.81, subdivision 4, is amended to read:

Subd. 4. Notice. (a) If a prosecuting attorney has reason to believe that a nuisance is maintained or permitted in the jurisdiction the prosecuting attorney serves, and intends to seek abatement of the nuisance, the prosecuting attorney shall provide the written notice described in paragraph (b), by personal service or certified mail, return receipt requested, to the owner all owners and all interested parties known to the prosecuting attorney.

(b) The written notice must:

(1) state that a nuisance as defined in subdivision 2 is maintained or permitted in the building and must specify the kind or kinds of nuisance being maintained or permitted;

(2) summarize the evidence that a nuisance is maintained or permitted in the building, including the date or dates on which nuisance-related activity or activities are alleged to have occurred;

(3) inform the recipient that failure to abate the conduct constituting the nuisance or to otherwise resolve the matter with the prosecuting attorney within 30 days of service of
the notice may result in the filing of a complaint for relief in district court that could, among other remedies, result in enjoining the use of the building for any purpose for one year or, in the case of a tenant, lessee, or occupant, could result in cancellation of the lease; and

(4) inform the owner of the options available under section 617.85.

Presented to the governor May 18, 2009

Signed by the governor May 20, 2009, 2:16 p.m.
CHAPTER 315–H.F.No. 2668

An act relating to real property; landlord and tenant; requiring receipts for cash payments; providing for recovery of attorney fees under certain conditions; modifying procedures for tenant screening fees; providing for imposition of late fees; providing for eviction procedures for tenants of certain foreclosed property; making clarifying, conforming, technical, and other changes to landlord and tenant provisions; amending Minnesota Statutes 2008, sections 484.014, subdivision 3; 504B.173; 504B.178, subdivision 7; 504B.215, subdivision 2a; 504B.271, subdivisions 1, 2; 504B.285, by adding subdivisions; 504B.291, subdivision 1; 504B.365, subdivision 4; Minnesota Statutes 2009 Supplement, section 504B.285, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 504B.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2008, section 484.014, subdivision 3, is amended to read:

Subd. 3. Mandatory expungement. The court shall order expungement of an eviction case commenced solely on the grounds provided in section 504B.285, subdivision 1, clause (1), if the court finds that the defendant occupied real property that was subject to contract for deed cancellation or mortgage foreclosure and:

1. the time for contract cancellation or foreclosure redemption has expired and the defendant vacated the property prior to commencement of the eviction action; or

2. the defendant was a tenant during the contract cancellation or foreclosure redemption period and did not receive a notice under section 504B.285, subdivision 1a, 1b, or 1c, to vacate on a date prior to commencement of the eviction case.

Sec. 2. [504B.118] RECEIPT FOR RENT PAID IN CASH.

A landlord receiving rent or other payments from a tenant in cash must provide a written receipt for payment immediately upon receipt if the payment is made in person, or within three business days if payment in cash is not made in person.

Sec. 3. [504B.172] RECOVERY OF ATTORNEY FEES.

If a residential lease specifies an action, circumstances, or an extent to which a landlord, directly, or through additional rent, may recover attorney fees in an action between the landlord and tenant, the tenant is entitled to attorney fees if the tenant prevails in the same type of action, under the same circumstances, and to the same extent as specified in the lease for the landlord.

EFFECTIVE DATE. This section is effective for leases entered into on or after August 1, 2011, and for leases renewed on or after August 1, 2012.
Sec. 4. Minnesota Statutes 2008, section 504B.173, is amended to read:

**504B.173 APPLICANT SCREENING FEE.**

Subdivision 1. **Limit on number of applicant screening fees Limitations.** A landlord or the landlord's agent may not:

1. charge an applicant a screening fee when the landlord knows or should have known that no rental unit is available at that time or will be available within a reasonable future time;

2. collect or hold an applicant screening fee without giving the applicant a written receipt for the fee, which may be incorporated into the application form, upon request of the applicant; or

3. use, cash, or deposit an applicant screening fee until all prior applicants have either been screened and rejected, or offered the unit and declined to enter into a rental agreement.

Subd. 2. **Return of applicant screening fee.** If the landlord or the landlord's agent does not perform a personal reference check or does not obtain a consumer credit report or tenant screening report, the landlord or the landlord's agent shall return any amount of the screening fee that is not used for those purposes. (a) The landlord must return the applicant screening fee if:

1. the applicant is rejected for any reason not listed in the disclosure required under subdivision 3; or

2. a prior applicant is offered the unit and agrees to enter into a rental agreement.

(b) If the landlord does not perform a personal reference check or does not obtain a consumer credit report or tenant screening report, the landlord must return any amount of the applicant screening fee that is not used for those purposes.

(c) The applicant screening fee may be returned by mail, may be destroyed upon the applicant's request if paid by check, or may be made available for the applicant to retrieve.

Subd. 3. **Disclosures to applicant.** If a landlord or the landlord's agent, prior to taking an application accepts an applicant screening fee from a prospective tenant, the landlord must:

1. disclose on the application form or orally in writing prior to accepting the applicant screening fee:

   i. the name, address, and telephone number of the tenant screening service the owner landlord will use, unless the owner landlord does not use a tenant screening service; and

   ii. the criteria on which the decision to rent to the prospective tenant will be based; and

   2. notify the applicant within 14 days of rejecting a rental application, identifying the criteria the applicant failed to meet.

Subd. 4. **Remedies.** (a) In addition to any other remedies, a landlord who violates this section is liable to the applicant for the application applicant screening fee plus a civil penalty of up to $100, civil court filing costs, and reasonable attorney fees incurred to enforce this remedy.
(b) A prospective tenant who provides materially false information on the application or omits material information requested is liable to the landlord for damages, plus a civil penalty of up to $500, civil court filing costs, and reasonable attorney fees.

Sec. 5. [504B.177] LATE FEES.

(a) A landlord of a residential building may not charge a late fee if the rent is paid after the due date, unless the tenant and landlord have agreed in writing that a late fee may be imposed. The agreement must specify when the late fee will be imposed. In no case may the late fee exceed eight percent of the overdue rent payment. Any late fee charged or collected is not considered to be either interest or liquidated damages. For purposes of this paragraph, the "due date" does not include a date, earlier than the date contained in the written or oral lease by which, if the rent is paid, the tenant earns a discount.

(b) If a federal statute, regulation, or handbook providing for late fees for a tenancy subsidized under a federal program conflicts with paragraph (a), then the landlord may continue to publish and implement a late payment fee schedule that complies with the federal statute, regulation, or handbook.

EFFECTIVE DATE. This section is effective January 1, 2011, for leases entered into or renewed on or after that date.

Sec. 6. Minnesota Statutes 2008, section 504B.178, subdivision 7, is amended to read:

Subd. 7. Bad faith retention. The bad faith retention by a landlord of a deposit, the interest thereon, or any portion thereof, in violation of this section shall subject the landlord to punitive damages not to exceed $2000 for each deposit in addition to the damages provided in subdivision 4. If the landlord has failed to comply with the provisions of subdivision 3 or 5, retention of a deposit shall be presumed to be in bad faith unless the landlord returns the deposit within two weeks after the commencement of any action for the recovery of the deposit.

Sec. 7. Minnesota Statutes 2008, section 504B.215, subdivision 2a, is amended to read:

Subd. 2a. Conditions of separate utility billing to tenant in single-meter buildings. If the landlord of a single-metered residential building who bills for utility charges separate from the rent, the following conditions apply:

1) must provide prospective tenants notice of the total utility cost for the building for each month of the most recent calendar year; and

2) must predetermine and put in writing for all leases an equitable method of apportionment and the frequency of billing by the landlord and put in writing for all lessees.

3) must include in the lease a provision that, upon a tenant's request, the landlord must provide a copy of the actual utility bill for the building along with each apportioned utility bill. Upon a tenant's request, a landlord must also provide past copies of actual utility bills for any period of the tenancy for which the tenant received an apportioned utility bill. Past copies of utility bills must be provided for the preceding two years or from the time the current landlord acquired the building, whichever is most recent; and
The landlord of a single-metered residential building who bills separately for utilities (4) may, if the landlord and tenant agree, provide tenants with a lease term of one year or more the option to pay those bills under an annualized budget plan providing for level monthly payments based on a good faith estimate of the annual bill.

(b) By September 30 of each year, a landlord of a single-metered residential building who bills for gas and electric utility charges separate from rent must inform tenants in writing of the possible availability of energy assistance from the low income home energy assistance program. The information must contain the toll-free telephone number of the administering agency.

(c) A failure by the landlord to comply with this subdivision is a violation of sections 504B.161, subdivision 1, clause (1), and 504B.221.

Sec. 8. Minnesota Statutes 2008, section 504B.271, subdivision 1, is amended to read:

Subdivision 1. Abandoned property. (a) If a tenant abandons rented premises, the landlord may take possession of the tenant's personal property remaining on the premises, and shall store and care for the property. The landlord has a claim against the tenant for reasonable costs and expenses incurred in removing the tenant's property and in storing and caring for the property.

(b) The landlord may sell or otherwise dispose of the property 60 days after the landlord receives actual notice of the abandonment, or 60 days after it reasonably appears to the landlord that the tenant has abandoned the premises, whichever occurs last, and.

(c) The landlord may apply a reasonable amount of the proceeds of the a sale to the removal, care, and storage costs and expenses or to any claims authorized pursuant to section 504B.178, subdivision 3, paragraphs (a) and (b). Any remaining proceeds of any sale shall be paid to the tenant upon written demand.

(d) Prior to the a sale, the landlord shall make reasonable efforts to notify the tenant of the sale at least 14 days prior to the sale, by personal service in writing or sending written notification of the sale by first-class and certified mail, return receipt requested, to the tenant's last known address or usual place of abode, if known by the landlord, and by posting notice of the sale in a conspicuous place on the premises for at least two weeks prior to the sale. If notification by mail is used, the 14-day period shall be deemed to start on the day the notices are deposited in the United States mail.

Sec. 9. Minnesota Statutes 2008, section 504B.271, subdivision 2, is amended to read:

Subd. 2. Landlord's punitive damages. If a landlord, an agent, or other person acting under the landlord's direction or control, in possession of a tenant's personal property, fails to allow the tenant to retake possession of the property within 24 hours after written demand by the tenant or the tenant's duly authorized representative or within 48 hours, exclusive of weekends and holidays, after written demand by the tenant or a duly authorized representative when the landlord, the landlord's agent or person acting under the landlord's direction or control has removed and stored the personal property in accordance with subdivision 1 in a location other than the premises, the tenant shall recover from the landlord punitive damages in an amount not to exceed twice the actual damages or $1,000, whichever is greater, in addition to actual damages and reasonable attorney's fees.

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In determining the amount of punitive damages the court shall consider (1) the nature and value of the property; (2) the effect the deprivation of the property has had on the tenant; (3) if the landlord, an agent, or other person acting under the landlord's direction or control unlawfully took possession of the tenant's property; and (4) if the landlord, an agent, or other person under the landlord's direction or control acted in bad faith in failing to allow the tenant to retake possession of the property.

The provisions of this subdivision do not apply to personal property which has been sold or otherwise disposed of by the landlord in accordance with subdivision 1, or to landlords who are housing authorities, created, or authorized to be created by sections 469.001 to 469.047, and their agents and employees, in possession of a tenant's personal property, except that housing authorities must allow the tenant to retake possession of the property in accordance with this subdivision.

Sec. 10. Minnesota Statutes 2009 Supplement, section 504B.285, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** The person entitled to the premises may recover possession by eviction when:

(1) any person holds over real property:

(i) after a sale of the property on an execution or judgment; or

(ii) after the expiration of the time for redemption on foreclosure of a mortgage, or after termination of contract to convey the property; provided that if the person holding the real property after the expiration of the time for redemption or termination was a tenant during the redemption or termination period under a lease of any duration and the lease began after the date the mortgage or contract for deed was executed but prior to the expiration of the time for redemption or termination, and the person has received:

(A) at least two months' written notice to vacate no sooner than one month after the expiration of the time for redemption or termination, provided that the tenant pays the rent and abides by all terms of the lease; or

(B) at least two months' written notice to vacate no later than the date of the expiration of the time for redemption or termination, which notice shall also state that the sender will hold the tenant harmless for breaching the lease by vacating the premises if the mortgage is redeemed or the contract is reinstated;

(2) any person holds over real property after termination of the time for which it is demised or leased to that person or to the persons under whom that person holds possession, contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; or

(3) any tenant at will holds over after the termination of the tenancy by notice to quit.

Sec. 11. Minnesota Statutes 2008, section 504B.285, is amended by adding a subdivision to read:

Subd. 1a. **Grounds when the person holding over is a tenant in a foreclosed property.** (a) For any eviction action commenced on or before December 31, 2012, where the person holding the real property after the expiration of the time for redemption on foreclosure of a mortgage was a tenant during the redemption period under a lease of any
duration, and the lease began after the date the mortgage was executed, but prior to the expiration of the time for redemption, the immediate successor in interest must provide at least 90 days' written notice to vacate, given no sooner than the date of the expiration of the time for redemption, and effective no sooner than 90 days after the date of the expiration of the time for redemption, provided that the tenant pays the rent and abides by all terms of the lease.

(b) For any eviction action commenced on or before December 31, 2012, where the term of a bona fide lease extends more than 90 days beyond the date of the expiration of the time for redemption, the immediate successor in interest must allow the tenant to occupy the premises until the end of the remaining term of the lease, and provide at least 90 days' written notice to vacate, effective no sooner than the date the lease expires, provided that the tenant pays the rent and abides by all terms of the lease, except if the immediate successor in interest or an immediate subsequent bona fide purchaser will occupy the unit as the primary residence, the immediate successor in interest must provide at least 90 days' written notice to vacate, given no sooner than the date of the expiration of the time for redemption, effective no sooner than 90 days after the date of the expiration of the time for redemption, provided that the tenant pays the rent and abides by all terms of the lease.

For purposes of this section, a "bona fide lease" means:

1. the mortgagor or the child, spouse, or parent of the mortgagor is not the tenant;
2. the lease or tenancy was the result of an arm's-length transaction; and
3. the lease or tenancy requires the receipt of rent that is not substantially less than fair market rent for the property or the unit's rent is reduced or subsidized by a federal, state, or local subsidy.

(e) For any eviction action commenced on or before December 31, 2012, in the case of a tenancy subject to section 8 of the United States Housing Act of 1937, as amended, where the term of the lease extends more than 90 days beyond the date of the expiration of the time for redemption, the immediate successor in interest must allow the tenant to occupy the premises until the end of the remaining term of the lease and provide at least 90 days' written notice to vacate, effective no sooner than the date the lease expires, provided that the tenant pays the rent and abides by all terms of the lease, except if the immediate successor in interest will occupy the unit as the primary residence, the immediate successor in interest must provide at least 90 days' written notice to vacate, given no sooner than the date of the expiration of the time for redemption, effective no sooner than 90 days after the date of the expiration of the time for redemption, provided that the tenant pays the rent and abides by all terms of the lease.

Sec. 12. Minnesota Statutes 2008, section 504B.285, is amended by adding a subdivision to read:

Subd. 1b. Grounds when the person holding over is a tenant in a property subject to a contract for deed. For any eviction action commenced on or before December 31, 2012, the person entitled to the premises may recover possession by eviction when any person holds over real property after termination of contract to convey the property, provided that if the person holding the real property after the expiration of the time for termination was a tenant during the termination period under a lease of any duration and the lease began after the date the contract for deed was executed but prior to the expiration of the time for termination, and the person has received:
(1) at least two months' written notice to vacate no sooner than one month after the expiration of the time for termination, provided that the tenant pays the rent and abides by all terms of the lease; or

(2) at least two months' written notice to vacate no later than the date of the expiration of the term for termination, which notice shall also state that the sender will hold the tenant harmless for breaching the lease by vacating the premises if the contract is reinstated.

Sec. 13. Minnesota Statutes 2008, section 504B.285, is amended by adding a subdivision to read:

Subd. 1c. **Grounds for evictions on or after January 1, 2013.** For any eviction action commenced on or after January 1, 2013, the person entitled to the premises may recover possession by eviction when any person holds over real property after the expiration of the time for redemption on foreclosure of a mortgage, or after termination of contract to convey the property, provided that if the person holding the real property after the expiration of the time for redemption or termination was a tenant during the redemption or termination period under a lease of any duration, and the lease began after the date the mortgage or contract for deed was executed, but prior to the expiration of the time for redemption or termination and the person holding the premises has received:

(1) at least two months' written notice to vacate no sooner than one month after the expiration of the time for redemption or termination, provided that the tenant pays the rent and abides by all terms of the lease; or

(2) at least two months' written notice to vacate no later than the date of the expiration of the term for redemption or termination, which notice shall also state that the sender will hold the tenant harmless for breaching the lease by vacating the premises if the mortgage is redeemed or the contract is reinstated.

Sec. 14. Minnesota Statutes 2008, section 504B.291, subdivision 1, is amended to read:

Subdivision 1. **Action to recover.** (a) A landlord may bring an eviction action for nonpayment of rent irrespective of whether the lease contains a right of reentry clause. Such an eviction action is equivalent to a demand for the rent. There is a rebuttable presumption that the rent has been paid if the tenant produces a copy or copies of one or more money orders or produces one or more original receipt stubs evidencing the purchase of a money order, if the documents: (i) total the amount of the rent; (ii) include a date or dates approximately corresponding with the date rent was due; and (iii) in the case of copies of money orders, are made payable to the landlord. This presumption is rebutted if the landlord produces a business record that shows that the tenant has not paid the rent. The landlord is not precluded from introducing other evidence that rebuts this presumption. In such an action, unless the landlord has also sought to evict the tenant by alleging a material violation of the lease under section 504B.285, subdivision 5, the tenant may, at any time before possession has been delivered, redeem the tenancy and be restored to possession by paying to the landlord or bringing to court the amount of the rent that is in arrears, with interest, costs of the action, and an attorney's fee not to exceed $5, and by performing any other covenants of the lease.

(b) If the tenant has paid to the landlord or brought into court the amount of rent in arrears but is unable to pay the interest, costs of the action, and attorney's fees required by paragraph (a), the court may permit the tenant to pay these amounts into court and be
restored to possession within the same period of time, if any, for which the court stays the issuance of the order to vacate under section 504B.345.

(c) Prior to or after commencement of an action to recover possession for nonpayment of rent, the parties may agree only in writing that partial payment of rent in arrears which is accepted by the landlord prior to issuance of the order granting restitution of the premises pursuant to section 504B.345 may be applied to the balance due and does not waive the landlord's action to recover possession of the premises for nonpayment of rent.

(d) Rental payments under this subdivision must first be applied to rent claimed as due in the complaint from prior rental periods before applying any payment toward rent claimed in the complaint for the current rental period, unless the court finds that under the circumstances the claim for rent from prior rental periods has been waived.

Sec. 15. Minnesota Statutes 2008, section 504B.365, subdivision 4, is amended to read:

Subd. 4. Second and Fourth Judicial Districts Motions concerning removal or storage of personal property. In the Second and Fourth Judicial Districts, the housing calendar consolidation project The court hearing the eviction action shall retain jurisdiction in matters relating to removal of personal property under this section. If the plaintiff refuses to return the property after proper demand is made as provided in section 504B.271, the court shall enter an order requiring the plaintiff to return the property to the defendant and awarding reasonable expenses including attorney fees to the defendant.

Presented to the governor May 7, 2010

Signed by the governor May 11, 2010, 11:17 a.m.