



Tenant Hotline

Phone: 612-728-5767

Online: [homelinemn.org/email](mailto:homelinemn.org)

Land of 10,000 Leases: Understanding Leases in Minnesota

March 22, 2023 — 1:30-3:00pm

HOME Line Supervising Attorney, Amarilis Carrion

HOME Line Managing Attorney, Mike Vraa

HOME Line Housing Attorney, Rachael Sterling

What is HOME Line?

- HOME Line is a statewide nonprofit organization providing free legal, educational, and advocacy services to Minnesota renters. We have advised over 290,000 renters since 1992.
- Our primary program is a free and confidential legal hotline any Minnesota renter can contact us to receive legal advice specific to their situation, in 4 languages.
- HOME Line has a staff of 32, including attorneys, tenant advocates, and tenant organizers. We also rely on volunteers and interns.



What is HOME Line?

HOME Line Tenant Hotline:

612-728-5767

Toll-free: 866-866-3546

- Para Español, llame al 612-255-8870
- Af- Soomaali wac 612-255-8860
- Hais lus Hmoob, Hu 612-255-7104
- Online: homelinemn.org/email



Housekeeping

- We applying 1.5 standard CLE credit
- Session is being recorded and will be available on HOME Line's website in a few days
- Please ask questions through the Q&A function



A close-up photograph of a document titled "CONTRACT" in large, bold, serif capital letters. A silver ballpoint pen is resting diagonally across the top left of the page. The document is placed on a dark surface, possibly a laptop, with a yellow bar at the very top of the frame. The lighting is soft, creating a professional and focused atmosphere.

CONTRACT

1. The Subject of the Agreement

Contractor undertakes to provide photographing services on the instructions of the Customer and to accept the results of the services rendered as approved by the Contractor to the Customer under this Agreement.

... of the part...

Elements of a Contract

Leases 101

- (1) **Offer:** One of the parties made a promise to do or refrain from doing some specified action in the future.
- (2) **Consideration:** Something of value was promised in exchange for the specified action or nonaction.
- (3) **Acceptance:** The offer was accepted unambiguously. Acceptance may be expressed through words, deeds or performance as called for in the contract.

Source:

<http://jec.unm.edu/education/online-training/contract-law-tutorial/contract-fundamentals-part-2>

What is a lease?

Leases 101

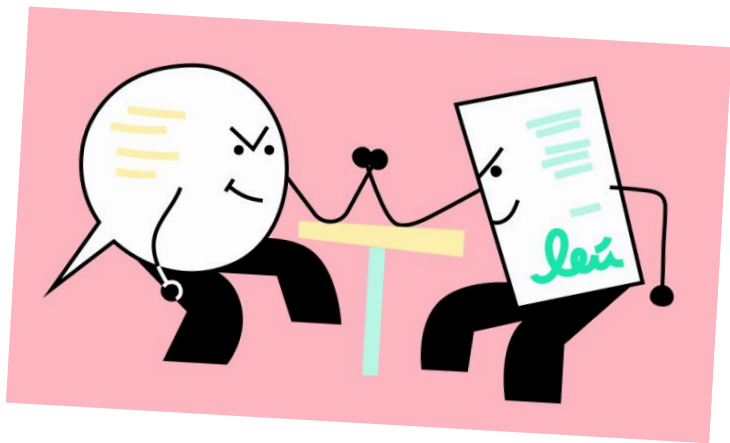
A contract that transfers the use of property or occupancy of land, space, or structures in exchange for money, labor or combination of both (rent). In Minnesota, this temporary use of property means that the parties have entered into a **BINDING** rental contract aka a lease.

Types of Leases

Leases 101

Verbal or Written

In general, there is no requirement that a contract be in writing. In Minnesota, landlords and tenants can reach an agreement either way and establish a landlord-tenant relationship.



Entering into an
agreement

Verbal or written?

While having the agreement in writing will give additional clarity to the expectations and additional agreed upon terms between the parties, rental agreements already contain the most important elements of a contract.

The essential elements of a rental agreement are fixed, and any other terms are additions that the landlord and tenant can agree on if they wish.

Source: <https://www.ag.state.mn.us/Consumer/Handbooks/LT/CH1.asp>

Top 5 terms to include in a lease

Leases 101



<https://homelinemn.org/9762/top-5-l-ease-must-haves/>

Top 5 Lease Must-Haves

5. Mandatory Disclosures
4. Rules and Policies
3. Fees
2. Cost of Rent
1. Who, What, Where, and When

Before you
sign on the
dotted line

Leases 101

John Doe

Jane Doe

- Tenant should see the unit they are renting
- Verify utilities are working
- Check that appliances are operational
- For single metered buildings - landlords should provide total utility costs for building for most recent calendar year

- Tenants should ask for deficiencies to be corrected if any are present
- Tenants should check if unit is licensed (in those cities where that's a requirement). No license = landlord can't accept or keep rent until in compliance

Rule Against Perpetuities

Leases 101



501A.01 STATUTORY RULE AGAINST PERPETUITIES. (a)

A nonvested property interest is invalid unless: (1) when the interest is created, it is certain to vest or terminate no later than 21 years after the death of an individual then alive; or (2) the interest either vests or terminates within 90 years after its creation.



Can a lease last indefinitely?

Any lease that is not entered into for a limited duration (term lease) is then a lease for an indefinite term (month to month). Thus, this month to month lease is concluded for a minimum term and is tacitly renewed if neither party gives notice for the end of the term.

See 504B.145 - Restriction on Automatic Renewal of Leases

Common Lease Questions

Leases 101



Can a landlord charge me for repairs?

No. Maintenance is the responsibility of the landlord (see 504B.161). However, the landlord can charge the tenant for any damage caused due to the tenant's willful, malicious or irresponsible conduct.

How long does the landlord have to make repairs?

Landlords have 14 days to do non-emergency repairs but emergency matters must be addressed within 24 hours.

Does the landlord have a right to enter my unit without 24 hour notice?

In Minnesota, the standard is reasonable notice which can be more or less than 24 hours. However, most landlords give 24-hour notice unless there's an emergency. If a landlord or their agent enters the unit without notice, they must leave a note detailing they entered the unit and why.

Who is responsible for snow removal and yard work?

To put it simply, the LANDLORD. Regardless of what the lease says, maintenance and repairs are the landlord's responsibility per statute (see 504B.161).

But what about tenant maintenance?

The landlord and the tenant can agree that the tenant will perform very specific repairs or maintenance but this agreement needs to be clear, in writing, and "adequate consideration" i.e. rent discount or payment must be clearly specified (see 504B.161).

Fees

Leases 101



Deposits and Fees are a source of disputes

Landlords, specify in your lease any and all fees, and how they will be assessed. If it's not written down, you can't charge them.

Think:

1. Application fee (see 504B.173)
2. Late rent fee - not more than 8% (see 504B.177)
3. Pet rent and/or waste fee
4. Smoking fee
5. Storage fee
6. Early termination fee
7. Hold Fee/Pre-lease Deposit (see 504B.175)

Fees for utilities in common areas:

Not new but more common nowadays. Remember that common area utility charges cannot be assessed on tenants with currently active term leases. The new billing can only start upon lease renewal and after proper notice on term leases, or also after proper notice on month to month leases,

The billing cannot include ANY utility use prior to the start of the new lease term.

This must also adhere to single-meter rules and its disclosure requirements (See 504B.215).

Rules and Policies

Leases 101

They are a source of disputes so include them on the lease. The clearer the lease is the better. Remember, if it's not there, you will struggle with enforcing it.

Think:

1. Smoking policy
2. Pet restrictions - must comply w ADA
3. No Illegal Activity
4. etc.

Security Deposit

Leases 101

SECURITY DEPOSIT

Security Deposits (S.D.)

State when and how they will be paid to the landlord, and when and how it will be returned to the tenant (see 504B.178).

Think:

1. Amount of S.D.- see city code limits
2. Interests accrue at 1% per year
3. Deductions only for damage that is beyond normal wear and tear - take pictures and/or video
4. Security deposit must be returned within 21 days of move out or send leftover amount after deductions. Include pictures/receipts to prove deductions.

Attorney General Sample Lease

Leases 101

Sometimes landlords use leases they find online or that they obtain from out of state. Some of the provisions in those leases don't apply to Minnesota at all.

Think:

1. Bed Bug Addendums - in MN Landlords must follow 504B.161. Cannot bill tenants unless they can prove they caused infestation due to their willful, malicious or irresponsible conduct.
2. Pest control - again must follow 501B.161

Where can I find a lease that protects me as a landlord, and includes clauses that are valid in Minnesota?

Minnesota Standard Residential Lease:

<https://homelinemn.org/wp-content/uploads/2019/01/minnesota-standard-residential-lease-agreement-form.pdf>

Thank You!



Questions?



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- HOME Line waxay bixisaa adeeg ku baxa Afka-Soomaaliga. Af- Soomaali wac 612-255-8860.
- Peb lub koom haum HOME Line muaj neeg txhais lus Hmoob. Hais lus Hmoob, Hu 612-255-7104.



Thank You