



Tenant Hotline
Phone: 612-728-5767
Online: homelinemn.org/email

Leases: Common Questions & Issues

March 20, 2024 — 1:30-3:00pm
HOME Line Supervising Attorney, Amarillis Carrion

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 315,000 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 24, 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



Upcoming Webinars

April 10th

Manufactured Homes

May 15th

Impacts of New Eviction Laws on Courts



Housekeeping

- This 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 located at the bottom of the Zoom window
- 1.5 Standard CLE credits will be applied for after this session



Understanding Leases in Minnesota



What is a Lease?



Elements of a Contract

- (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?

- **It's a contract!**
 - **Offer** - A property owner agrees to offer exclusive possession of the rental property for a specified period of time.
 - **Acceptance** - Tenant agrees to rent the rental property based on a set of terms.
 - **Consideration** - All in exchange for money or sometimes services.

In summary, what's a lease?

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.

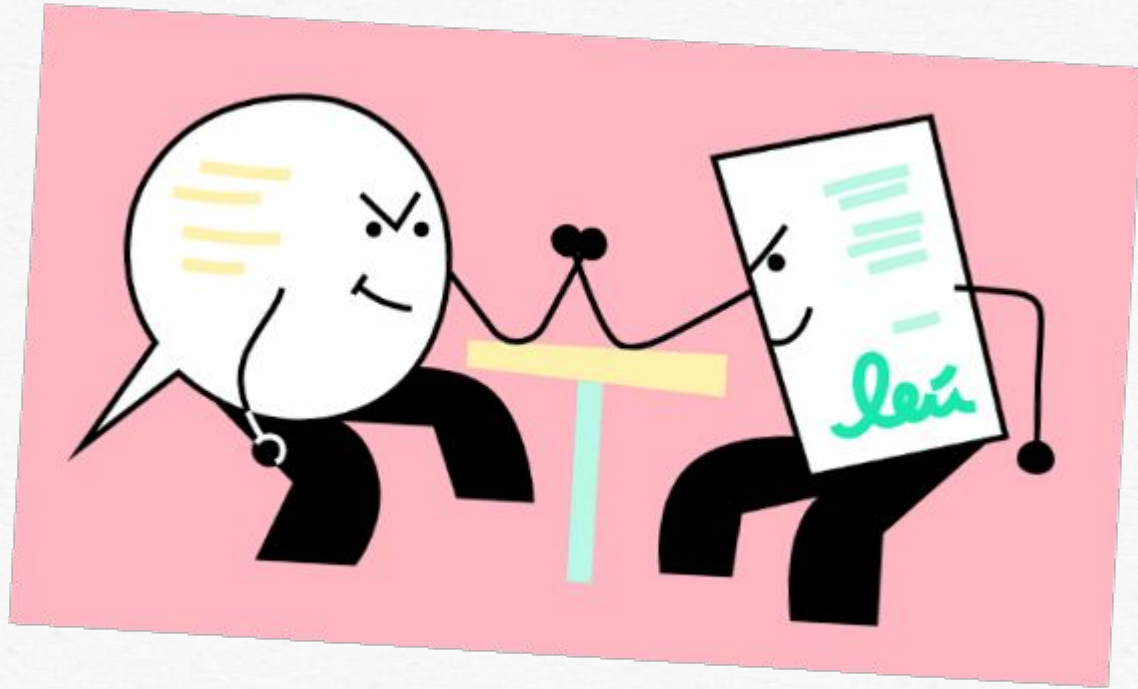


Types of Leases

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



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>

- Basically, **JUST PUT IT IN WRITING**. That way everyone knows what's being offered, for how much, and for how long.



Top 5 Terms to Include in a Lease

HOME Line: Top 5 Lease Must Haves



Before you sign on the dotted line

John Doe

Jane Doe

Before you sign on the dotted line: Tenants

- Always see the unit you are planning on renting
 - Don't just see a model unit. Not all units are the same or comparable.
- Verify that the utilities are working
 - Turn on lights, faucets, etc.
- Check that appliances are operational.

Before you sign on the dotted line: Tenants

- If you see any deficiencies, ask for them to be corrected.
- Always check if the unit is licensed (in those cities where that's a requirement).
 - No license = landlord can't accept or keep rent until in compliance

Before you sign on the dotted line: Landlords

- Follow MN statute 504B.120 regarding Prohibited Fees - it's a new law that came into effect on January 1, 2024.

Subdivision 1. Disclosure of fees. A landlord must disclose all nonoptional fees in the lease agreement. The sum total of rent and all nonoptional fees must be described as the Total Monthly Payment and be listed on the first page of the lease. A unit advertised for a residential tenancy must disclose the nonoptional fees included with the total amount for rent in any advertisement or posting. In a lease agreement disclosure or unit advertisement, the landlord must disclose whether utilities are included or not included in the rent.

Subd. 2. Penalties. A landlord who violates this section is liable to the residential tenant for treble damages and the court may award the tenant reasonable attorney fees.



Fee Disclosure: Advertisements

Examples of common mandatory fees

- Portal fee
- Administrative fee (usually annual so divide by # of months)
- Amenity fees
- Utilities fees, if charged by landlord
- Internet/Cable
- Lease Processing fee
- Utilities—specifically mentioned in law---“the landlord must disclose whether utilities are included or not included in the rent.”

Examples of common optional fees

- Garage spot/parking fee
- Pet fee



Before you sign on the dotted line: Landlords

- For single metered buildings
 - Landlords should provide total utility costs for building for most recent calendar year.
 - See MN Statute 504B.215 Subd 2 and 2a.

Rule Against Perpetuities



Rule Against Perpetuities

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.



Rule Against Perpetuities

- Can a lease last indefinitely?

- NO!

- 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



Common Lease Questions

- **Can a landlord charge me for repairs?**
 - **Generally speaking, No!**
 - Maintenance is the responsibility of the landlord.
 - **However,**
 - The landlord can charge the tenant for any damage caused due to the tenant's willful, malicious or irresponsible conduct.
 - See MN Statute 504B.161.

Common Lease Questions

- **How long does the landlord have to make repairs?**
 - Landlord's have 14 days to do non-emergency repairs but emergency matters must be addressed within 24 hours.
 - See MN Statutes 504B.161, 504B. 381, and 504B.385

Common Lease Questions

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

- Effective January 1, 2024 landlords must give 24 hour notice to tenants before entering their rental, offer a specific time of entry or a window of time when they will enter within the hours of 8am or 8pm, and must have a reasonable business purpose to enter.
- See MN Statute 504B.211.

Common Lease Questions

- **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.
 - See 504B.161

Common Lease Questions

- **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.

Fees



Fees

- **Deposits and Fees are a source of disputes**
 - Landlords, list fees on the lease 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

- **Fees for utilities in common areas:**

- Common area utility charges cannot be assessed on tenants with currently active term leases if the lease does not include this fee. 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 504B215

Rules and Policies

- 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.



MN Standard Residential Lease

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



MN Standard Residential Lease

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>





Questions?



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- Peb lub koom haum HOME Line muaj neeg txhais lus Hmoob. Hais lus Hmoob, Hu 612-255-7104.



Thank You