

June 17, 2020

Rep. Hassan and Members of the House Ways & Means Committee:

Thank you for the opportunity to provide comments regarding the language of HF 82, which is incorporated in the DE amendment to HF 132, providing assistance to residential and commercial tenants in areas of civil unrest.

MN Realtors® was founded in 1919 and is the largest professional trade association in Minnesota with over 20,000 members involved in all aspects of the real estate industry. Our members work with property owners and aspiring property owners every day.

MN Realtors® appreciates the efforts of the Legislature to help those who live or operate businesses in areas impacted by recent civil unrest. We understand that for many, damage to a home or place of business has amplified the stress, financial and emotional, that was already present due to the COVID-19 pandemic.

However, we have concerns with the approach taken in the DE amendment to HF 132. This bill appears to create a form of rent control and we are concerned it will have unintended consequences. For example, the potential loss in revenue for property owners may result in a decreased ability for them to meet routine expenses associated with maintenance, particularly during a time when many are struggling due to COVID-19. Controlling rent for some could also increase rent for those who do not qualify under this bill. In addition, rent control will likely discourage investment in new and existing properties.

Furthermore, many owners of commercial and residential property are small business owners concerned about keeping up with their expenses in these challenging times. Limiting their ability to set rent at a level the market can support may result in many not having the resources to reinvest in their properties and their communities.

Since this is the first time we have seen this language, we may have additional comments to provide as this bill moves through the process.

Again, thank you for the opportunity to submit comments and we look forward to working with you on this issue.

Sincerely,



Paul Eger
Vice President, Governmental Affairs



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