



March 2, 2022

Chair Hausman and Members of the Committee:

MHA is made up of 1,800 members representing over 300,000 rental housing units in Minnesota. I write today to raise our concerns regarding HF 399.

No one likes an unexpected fee on their phone bill just like no one would appreciate an unexpected fee for their home. Under this assumption, we would propose to the author and Committee that a fee disclosure, rather than a complete prohibition, is a best practice and something MHA could support in the interest of fairness and transparency.

MHA also has numerous concerns about how the 24-hour notice of entry requirement would function for property managers and how it would introduce inefficiencies. As an example, an appliance delivery company reschedules the delivery window on the morning of delivery, bringing the desired new appliance to the resident. But under this bill, we would have to postpone the delivery and provide another 24-hour notice to comply. This situation does not serve the best interests of the resident. Additionally, an individual who works nights might not be appreciative of the window available for entry and could prefer an earlier or later time. This does not provide entry outside of the hours listed in the proposal.

Concerningly, the language in HF 399 does not provide a safe harbor for the landlord to access the unit when the tenant agrees to access without a 24-hour notice. This situation is specifically created with the removal of the word 'substantially' from the statute. We find this troubling because it provides no flexibility for real world implementation. As an example, the property management entity could be penalized if they enter the apartment 7 minutes too early. A violation as defined in this proposal is any entry prior to the 24-hour duration that is not already exempted in 504B.211 subdivision 4.

The penalty outlined in the legislation provides for one and a half months rent. This does not seem to be consistent with the damages to the resident in the situation outlined earlier of arriving 7 minutes early. It also states a violation of the 24-hour rule violates the Covenants of Habitability – which itself comes with significant additional penalties. We believe the penalties are overly broad and not consistent with the damages incurred.

Overall, we share concerns for unclear fees but suggest a different solution. The second part of the proposal simply does not account for how a rental business operates and penalizes managers in a way which is disproportionate.

Finally, MHA is deeply concerned about the implementation of the most restrictive Rent Control policy in the country in our own backyard. St. Paul's rent control policy remains deeply concerning with a 3% rent cap that does not include an inflationary adjustment. Any added regulatory costs to housing providers with such restrictive rent caps could jeopardize housing stability.

MHA appreciates the opportunity to provide our concerns with written testimony on this proposal.

Regards,

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