



March 2, 2021

Madam Chair and committee members. My name is Kyle Berndt, I am the Director of Public Policy with the Minnesota Multi Housing Association (MHA). MHA is made up of 1,800 members representing 400,000 housing units in Minnesota. I write today to raise our concerns regarding HF 399.

If I understand the authors intent, it is not just opposition to fees but the fact that some fees are a surprise at lease signing. No one likes an unexpected fee attached to their phone bill just like no one would appreciate an unexpected fee attached to their rent. Under this assumption I would pose to the author and Committee that a fee disclosure is a best practice and something MHA could support in the interest of fair and transparent markets.

The next section of the bill outlines the 24-hour notice for which there are concerns about how this could function for property managers and how it would introduce inefficiencies.

There would be several challenges to reasonable management practices under this proposal: 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 we 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 interest of the resident.

Another concern remains; the language in HF 399 does not provide a safe harbor for the manager to access the facility when the resident 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 in 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 feel this is overly broad and it is not consistent with the damages incurred.

Overall, we share concerns regarding hidden 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.

Thank you, Madam chair and members for your consideration.

Regards,

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