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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 3961

02/19/2024 Authored by Noor, Jordan and Finke
The bill was read for the first time and referred to the Committee on Housing Finance and Policy

1.1 A bill for an act
1.2 relating to landlord and tenants; providing tenants with remedies related to new
1.3 construction delays; proposing coding for new law in Minnesota Statutes, chapter
1.4 504B.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. 504B.153 NEW CONSTRUCTION DELAYS; TENANT REMEDIES.

1.7 Subdivision 1. Definition; new construction. For purposes of this section, "new
1.8 construction" means a new building, rehabilitation, modification, reconstruction, any physical
1.9 changes altering the use of occupancy, or an addition to a building.

1.10 Subd. 2. Remedies. (a) If a new construction for rental occupancy is not available for
1.11 occupancy on the move-in date established in the lease agreement, the tenant may select
1.12 one of the three following remedies:

1.13 (1) alternative housing provided by the landlord that is reasonably equivalent to the unit
1.14 described in the lease agreement until the unit may be lawfully inhabited;

1.15 (2) reimbursement by cash or check from the landlord of the total rent paid by the tenant
1.16 each month, as established in the lease agreement, to mitigate the costs of alternative housing
1.17 secured by the tenant until the unit described in the lease agreement may be lawfully
1.18 inhabited; or

1.19 (3) termination of the lease agreement and a return to the tenant of all amounts paid to
1.20 the landlord, including any rent, deposit, and other payments incurred in entering the lease
1.21 agreement.

2.1 (b) If a tenant exercises options under paragraph (a), clause (1) or (2), the landlord must
2.2 provide the tenant with reimbursements related to security deposits, application fees, parking
2.3 fees, pet fees, and any other fees reasonably associated with securing alternative housing.

2.4 (c) Tenants exercising options under paragraph (a), clause (1) or (2), may terminate their
2.5 lease agreement under paragraph (a), clause (3), if the new construction for rental occupancy
2.6 is not available for tenant occupancy within 90 days of the move-in date established in the
2.7 lease agreement.

2.8 (d) A violation of this section by a landlord is a violation of sections 504B.161 and
2.9 504B.375. The remedies available under this section are in addition to any other remedies
2.10 available at equity or law.

2.11 Subd. 3. **Construction.** This section shall be liberally construed for the protection of
2.12 tenants.

2.13 Subd. 4. **Waiver.** Any provision, whether oral or written, of any lease or other agreement,
2.14 whereby any provision of this section is waived by a tenant, is contrary to public policy and
2.15 void.

2.16 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to all leases
2.17 entered into on or after that date.