

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2668
Version: First engrossment

DATE: March 15, 2010

Authors: Mullery

Subject: Landlord-Tenant

Analyst: Matt Gehring, 651-296-5052

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

This bill makes a number of miscellaneous changes to landlord tenant law, including providing restrictions on the imposition of a late fee, expanding certain requirements related to applicant screening and the handling of screening fees, and modifying provisions related to tenants of foreclosed properties.

Section

- 1** **Mandatory expungement.** Provides a conforming cross-reference to reflect changes made later in the bill.
- 2** **Hearing on motion.** Requires the court to take up a defendant's expungement request at the same hearing as the underlying eviction hearing, unless there is good cause to hear it later, and requires the court to make a written ruling on the motion.
- 3** **Written lease; late fee.** Prohibits a landlord from charging a late fee for payment of rent unless the landlord and tenant have agreed in writing that a fee may be imposed. The amount of the fee must not exceed a certain percentage of the required payment. A late fee is not considered interest or liquidated damages.
- 4** **Receipt for rent.** Requires a landlord to provide a written receipt for payments made by cash. Deadlines for providing the receipt are included.
- 5** **Recovery of costs.** Provides that a tenant is entitled to recover attorneys fees and expenses in a legal proceeding arising out of the lease where the tenant prevails, if the lease states that the landlord is entitled to recover fees and expenses in these proceedings.
- 6** **Applicant screening.** Expands a number of provisions related to applicant screening.

This section adds to the prohibited activities of a landlord with respect to an applicant's screening fee. The landlord would be required to provide a written receipt for the screening fee, and would be prohibited from using, cashing, or depositing a screening fee until all

other applicants have been rejected or declined to enter a lease.

This section also requires that the landlord provide a prospective tenant with a written disclosure prior to accepting a tenant screening fee. The disclosure must list the criteria on which the decision to rent to the prospective tenant will be based. If an applicant is rejected, the landlord must provide notice within 14 days, stating the criteria the applicant failed to meet.

- 7 **Bad faith retention.** Increases the amount of punitive damages awarded against a landlord who retains a deposit, or interest on a deposit, in bad faith. Current law permits a punitive damage award of up to \$200. This section would require an award of \$500.
- 8 **Limitations; waiver.** Provides that a landlord who violates a provision of law related to utility billing and single-metered buildings is liable to the tenant for treble (triple) damages, or \$500, whichever is greater, plus reasonable attorney's fees.
- 9 **Grounds for eviction.** Strikes language related to recovery of possession of a foreclosed property by eviction. This language is fully recodified elsewhere in the bill.
- 10 **Grounds for eviction; foreclosed property.** Enacts new notice requirements for eviction actions when a tenant remains in a property after the time for redemption has expired. The new notice requirements only apply to eviction actions commenced on or before December 31, 2012, and would require at least 90 days written notice to vacate the property. The timeline for providing the notice would depend on the nature of the tenant's lease, as specified in the bill.

This language conforms to current requirements provided in federal law.
- 11 **Grounds for eviction; foreclosed property subject to contract for deed.** Enacts new notice requirements for eviction actions when a tenant remains in a property after the time for termination has expired. The new notice requirements only apply to eviction actions commenced on or before December 31, 2012, and would require at least 60 days written notice to vacate the property.
- 12 **Ground for eviction on or after January 1, 2013.** Provides, in effect, that the notice requirements for eviction actions on a foreclosed property revert to what exists as current law prior to enactment of this bill if the action is commenced on or after January 1, 2013.
- 13 **Action to recover.** Provides that in an eviction action for nonpayment of rent, certain documents, including a receipt, produced by a tenant establish a rebuttable presumption that the rent has been paid.