

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2985

DATE: February 23, 2010

Version: As introduced

Authors: Clark and Mullery

Subject: Landlord-Tenant

Analyst: Matt Gehring, 651-296-5052

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Overview

This bill makes a number of miscellaneous changes to landlord-tenant law, including providing restrictions on the imposition of a late fee, and permitting a tenant to make emergency repairs and deduct the costs associated with the repair from the next month's rent.

Section

- 1** **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. A grace period of five days is required before the late fee may be imposed and the amount of the fee must not exceed five percent of the required payment (or \$5.20, whichever is greater). A late fee is not considered interest or liquidated damages.

The due date for payment of rent would not include any earlier date provided in the lease for payment which would entitle the tenant to a discount on rent.
- 2** **Receipt for rent.** Requires a landlord to provide a written receipt for payments made by cash or money order.
- 3** **Limitation on security deposit and advance payment of rent.** Places a cap on the amount that a landlord may require for a security deposit or advance payment of rent. The amount may not exceed one month's rent, except that if pets are allowed in the rental agreement, the landlord may require 1.25 months' rent.

Damages of \$500, plus the amount of the deposit, are provided for violation of this section.
- 4** **Tenant's right to make emergency repairs.** Provides a new right of a tenant to make emergency repairs and deduct the cost of the repairs from the rent. A list of conditions that constitute a "case of emergency" is provided.

The tenant would only be permitted to deduct the amount of the repairs if the tenant

provides at least 48 hours advance notice to the landlord of the emergency and the tenant's intention to make the repairs if substantial progress by the landlord is not otherwise made in repairing the condition.

Standards for what constitutes a sufficient repair are provided. A tenant may not deduct the cost of an emergency repair from the rent if the condition was the result of willful, malicious, or negligent conduct of the tenant or a person under the tenant's control.

Provisions of law related to mechanics' liens would not apply to emergency repairs completed under this section.

A residential tenant may not waive his or her right to make emergency repairs.

- 5** **Termination of lease.** Permits a tenant to terminate a lease, without penalty, if a landlord fails to take a required corrective action. The tenant must provide at least seven days' notice of the termination.

The tenant would still be required to pay any rent due through the seven-day notice period, and any costs necessary to restore the unit to its pre-lease condition.