

SENATE  
STATE OF MINNESOTA  
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 524

(SENATE AUTHORS: JUNGBAUER)

DATE	D-PG	OFFICIAL STATUS
02/28/2011	312	Introduction and first reading Referred to Commerce and Consumer Protection
03/10/2011	454a	Comm report: To pass as amended and re-refer to Judiciary and Public Safety

A bill for an act  
relating to commerce; prohibiting certain practices relating to the management  
of certain properties; providing remedies; proposing coding for new law in  
Minnesota Statutes, chapter 325E.

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

Section 1. **[325E.67] PROPERTY MANAGEMENT.**

Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this  
section.

(b) "Person" means an individual, firm, partnership, limited liability company,  
corporation, or association.

(c) "Property manager" or "property management company" means a person who  
engages in the business of managing real property that is owned by another person.

(d) "Owner" means a person who has any legal or equitable interest in the real  
property. An owner of a common interest community, as defined in chapter 515B, means  
the unit owners' association organized under section 515B.3-101.

Subd. 2. Interest of property management company in certain firms. No  
property manager or property management company having an interest directly or  
indirectly in a construction firm, salvage firm, or appraisal firm may hire the directly or  
indirectly owned construction firm, salvage firm, or appraisal firm to perform work on a  
managed property unless the interest has been disclosed in writing to the owner or owners  
at least three days prior to the execution of a contract for the work. "Firm" includes a  
corporation, partnership, association, or individual firm.

2.1           Subd. 3. **Prohibited practices.** No property manager or property management  
2.2 company shall request or accept money, rebates, or anything of value from a construction  
2.3 firm, salvage firm, or appraisal firm as:

2.4           (1) an inducement to refer business or clients to the firm;

2.5           (2) a condition for awarding a contract to the firm;

2.6           (3) part of a fee specified in a contract; or

2.7           (4) fee splitting for services rendered, unless the other person is also a licensed  
2.8 contractor.

2.9           Subd. 4. **Remedies.** If a property manager or property management company  
2.10 violates this section, an owner may bring an action against the property manager or  
2.11 property management company in a court of competent jurisdiction for damages sustained  
2.12 by the owner as a consequence of the property manager's or property management  
2.13 company's violation, together with the actual costs of the action, including reasonable  
2.14 attorney fees. The remedies in this section are in addition to any other remedies permitted  
2.15 by law.