

Sec. 15. Minnesota Statutes 1945, Section 352.12, is amended to read as follows:

352.12. **Surviving spouse or legal representative of deceased member to receive lump sum.** When a member of the association shall die without having received an annuity, or without having received in annuities an amount equal to the total amount of the accumulated deductions from his salary, the full amount of the accumulated deductions, less the annuity payments, if any, as have been paid to such member, shall be paid in one lump sum to the beneficiary or beneficiaries designated by the member, or, if none, to the surviving spouse, or, if none, to the legal representatives of the member, upon the establishment of a valid claim therefor. Any member who dies without having designated a beneficiary, or if the beneficiary should die before making application for refundment and there is no surviving spouse and no legal representative of such member, the accumulated deductions to the member's credit and any annuity payment to which he was entitled at the time of death shall, after five years, be credited to and become a part of the retirement fund.

Sec. 16. **Effective date.** This act shall take effect July 1, 1947.

Approved April 28, 1947.

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CHAPTER 632—H. F. No. 1543

[Not Coded]

*An act relating to the regulation, control, decontrol and stabilization of rents for housing accommodations during an emergency; prescribing the powers and duties of the commissioner of administration in relation thereto; providing for local advisory boards; limiting summary proceedings for the recovery of possession of certain housing accommodations and prescribing remedies.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **Purpose; emergency declared; declaration of public interest.** The legislature hereby finds that a serious public emergency exists in the housing of a considerable number of persons in the State of Minnesota, which emergency has been created by war, the effects of war, and the aftermath

of hostilities; that this emergency has produced an acute shortage in dwellings by reason of the diversion and reservation of essential materials and manpower which were needed successfully to prosecute the recent wars, the effect of those wars, and the aftermath of hostilities, and this situation has been intensified by the rapid demobilization of the armed forces and the return to civilian life of large numbers of men, who require housing accommodations for themselves and their families; that the emergency has necessitated the intervention of the federal government in order to prevent speculative, unwarranted, and abnormal increases in rents; that the federal law pursuant to which rents for housing accommodations were and are, being regulated and controlled by its terms will expire on June 30, 1947; that, unless federal regulation and control are continued until the next session of the legislature, disruptive practices and abnormal conditions will produce serious threats to the public health, safety, and general welfare; that, to prevent such perils to health, safety, and welfare, preventive action by the legislature under the police power of the state is imperative; that such action is necessary in order to prevent exactions of unjust, unreasonable, and oppressive rents and rental agreements and to forestall profiteering, speculation, and other disruptive practices tending to produce threats to the public health, safety, and welfare; that, in order to prevent such hardships and perils and to avoid the serious consequences of a failure of the Congress to renew and continue such federal law, or the failure to continue or extend where necessary such regulation and control, the provisions of this act are declared to be necessary and designed to protect the public health, safety, and general welfare.

**Sec. 2. Definitions.** Subdivision 1. The following terms when used in this act, unless the context clearly indicates otherwise, shall have the meanings, respectively, ascribed to them in this section.

**Subd. 2. Commissioner.** "Commissioner" means the commissioner of administration of this state.

**Subd. 3. Housing accommodation.** "Housing accommodation" means any building, structure, or part thereof, or land appurtenant thereto, or any other real or personal property rented or offered for rent for living or dwelling purposes, together with all privileges, services, furnishings, furniture, equipment, facilities, and improvements connected with the use or occupancy of such property. It does not include resort property, farm tenant houses, and dwellings situated on farm

lands containing 25 acres or more; a hospital, convent, monastery, asylum, public institution; a college or school dormitory; any accommodations which consist of, or are located in, any transient hotel, residential hotel, tourist home, or motor court; any accommodations occupied by one individual or one family and with respect to which a maximum rent established and maintained under authority of the Emergency Price Control Act of 1942, as amended, in excess of \$225 a month was in effect on September 1, 1946; any accommodations which at no time during the period February 1, 1945, to January 31, 1947, both dates inclusive, were rented as housing accommodations; or any accommodations construction of which commenced on or after February 1, 1947, or which are additional housing accommodations created by conversion on or after February 1, 1947.

**Subd. 4. Rent.** "Rent" means consideration, including any bonus, benefit, or gratuity, demanded or received for or in connection with the use or occupancy of housing accommodations or the transfer of a lease of such housing accommodations.

**Subd. 5. Defense-rental area.** "Defense-rental area" means any area in this state established as a defense-rental area by officers or agencies of the United States pursuant to the Emergency Price Control Act of 1942, as amended, or any other act of the Congress relating to rent control.

**Subd. 6. Rent control period.** "Rent control period" means the period beginning immediately after rent control established in defense-rental areas pursuant to any act of the Congress ceases to become effective, and ending January 15, 1949.

**Subd. 7. Rent control area.** "Rent control area" means an area designated by or pursuant to this act as an area where abnormal conditions have resulted or threatened to result in an increase of the rents for housing accommodations inconsistent with the purposes of this act.

**Subd. 8. Maximum rent.** "Maximum rent" means the maximum lawful rent for the use of housing accommodations within a rent control area.

**Subd. 9. Person.** "Person" means an individual, corporation, partnership, association, or any other organized group of individuals, or the legal successor or representative of any of the foregoing.

**Subd. 10. Landlord.** "Landlord" means an owner, lessor, sublessor, assignee, or other person receiving, or entitled to

receive, rent for the use or occupancy of any housing accommodations, or an agent of any of the foregoing.

Subd. 11. **Tenant.** "Tenant" means a tenant, subtenant, lessee, sublessee, or other person entitled to the possession or to the use or occupancy of any housing accommodations.

Subd. 12. **Action in unlawful detainer.** "Action in unlawful detainer" means an action instituted pursuant to Minnesota Statutes 1945, Chapter 566, for the recovery of possession of any housing accommodation by any landlord against any tenant.

Subd. 13. **Qualified lease.** "Qualified lease", as applied to any housing accommodation, means a lease

(1) Which is for a term of not less than one year;

(2) Which cannot be terminated at the option of the landlord prior to the expiration of one year from the beginning of the term, except for a breach of one or more of its provisions on the part of the tenant, but which may be terminated by the tenant at any time on a rent-paying date after 30 days' previous written notice;

(3) Which prescribes a rent at a rate not greater than 15 per cent in excess of the rate of maximum rent applicable to such accommodation on February 1, 1947;

(4) The lessee under which is a person who was in bona fide and lawful possession of such accommodation on the date of the execution of the lease; and

(5) Which does not contain provisions, other than provisions requested by the tenant, which on April 1, 1941, were not customary in leases of similar housing accommodations in the locality for a similar term.

**Sec. 3. Defense rental area.** Subdivision 1. If immediately prior to the beginning of the rent control period any area of this state is a defense-rental area, that area shall be considered to be a rent control area under this act. Until otherwise fixed in accordance with the terms of this act, the rents in effect in that area pursuant to federal regulation on the date immediately preceding the beginning of the rent control period shall be the maximum rents for housing accommodations therein under this act, and the regulations and orders appertaining to such areas in force and effect on that date pursuant to federal law shall remain in force and effect

until other regulations and orders are adopted by the commissioner.

**Sec. 4. Local advisory board. Subdivision 1. Appointment; meetings; quorum; proceedings; written decisions.** At the beginning of the rent control period the governor shall appoint in each rent control area a local advisory board for that area, each such board to consist of not less than five members, who are representative citizens of the area. Members of these local advisory boards shall receive no compensation but shall be paid actual, necessary traveling expenses and expenses of subsistence incurred in the transaction of their duties upon approval of the commissioner, to be paid out of the appropriations made by this act. Three members shall constitute a quorum. Not less than two members of each board shall be owners of and taxpayers on real property in the area, or shall be experienced in or familiar with the problems of real property ownership, management, and maintenance. No member shall sit in any case in which he, or any member of his immediate family, has a direct financial interest. Members shall serve during the rent control period but may be removed from office by the governor for inefficiency, neglect of duty, malfeasance in office, or inability to serve, upon notice and hearing. Each board shall conduct its proceedings in accordance with the rules and regulations promulgated by the commissioner, which shall provide for public hearings before the making of any recommendations, published notice of such hearings, and a record of each hearing, the expense of all of which shall be paid, upon approval by the commissioner, out of the appropriations made by this act. Rules of evidence prevailing in courts of law shall not be binding. A written decision, stating briefly the facts and the reasons for the board's decision, shall be made by each board in each case.

**Subd. 2. Powers of board.** Each local advisory board shall have the following powers:

(1) To recommend to the commissioner decontrol of the rent control area or any portion thereof;

(2) To recommend to the commissioner a general increase in maximum rents in the rent control area, to be expressed in terms of percentage.

**Subd. 3. Approval or disapproval by commissioner.** Within 30 days after receipt of any recommendation of a local advisory board, that recommendation shall be approved or disapproved by the commissioner, or the local board shall

be notified in writing of the reasons why final action cannot be taken in 30 days. Any recommendation of a local board, appropriately substantiated and in accordance with applicable law and regulations, shall be approved by the commissioner, the commissioner shall issue his order accordingly, and appropriate action shall promptly be taken to carry that recommendation into effect. Local advisory boards in making recommendations, and the commissioner in making his orders and determinations, shall be governed by the following:

(1) Whenever in any rent control area or any portion thereof (a) the percentage of vacancies is ten per cent or more or (b) the availability of adequate rental housing accommodations and other relevant factors are such as to make rent control unnecessary for the purpose of eliminating speculative, unwarranted, and abnormal increases in rents and of preventing profiteering and speculative and other disruptive practices resulting from abnormal market conditions caused by congestion, the controls imposed upon rents by authority of this act in such rent control area or portion thereof shall be forthwith abolished.

Sec. 5. **Rules and regulations.** The commissioner is authorized to make rules and regulations necessary in order to effectuate the purposes of this act.

Sec. 6. **Cooperation of departments.** The commissioner may request and shall receive cooperation and assistance in effectuating the purposes of this act from all departments, divisions, boards, bureaus, commissions, or agencies of the state and political subdivisions thereof.

Sec. 7. **Appeal to the district court.** Any person aggrieved by any order of the commissioner made pursuant to the provisions of section 4 may appeal from that order within 30 days from the date thereof to the district court of the county comprising the rent control area involved if that rent control area consists of only one county, or, if it consists of more than one county, to the district court of the county in that rent control area having the largest population according to the federal census of 1940, by serving a notice of his appeal upon the commissioner and filing that notice of appeal with the clerk of the district court, together with a bond to be approved by the clerk conditioned that the appellant shall pay all costs and charges which may be awarded against him on the appeal, not exceeding the penalty of the bond, which shall be at least \$250. The appeal shall stand for trial at the next term of the district court following the filing of the

notice of appeal, and in a county having only one term in each year on the first available court day of the month following that in which the notice of appeal is filed, without any service of notice of trial and shall be tried in the district court de novo. The court may affirm, reverse, or modify the order of the commissioner. Pending final disposition of any such appeal the order of the commissioner shall be stayed.

**Sec. 8. No increase of rent except as provided in this act.** No maximum rent for any housing accommodation in any rent control area shall be increased by any landlord except as provided for in this act, except that, upon and pursuant to a mutual agreement between a landlord and his tenant, the rent may be increased by not more than 15 per cent above the lawful rent for that housing accommodation permitted by federal laws or regulations of February 1, 1947; provided however, that nothing in this act contained shall prevent a landlord and tenant from making an agreement for an increase of over 15%, above that lawful rent, by reason of improvements, additional services, facilities or repairs which they mutually agree upon.

**Sec. 9. Prohibitions.** Subdivision 1. It shall be unlawful, regardless of any contract, lease, or other obligation heretofore or hereafter entered into, for any person to demand or receive any rent for any housing accommodations, in a rent control area, or otherwise to do or omit to do any act, in violation of any provision of, or any order or requirement under, this act, or to offer, solicit, attempt, or agree to do any of the foregoing.

Subd. 2. It shall be unlawful for any person to remove or attempt to remove from any housing accommodations in any rent control area the tenant or occupant thereof, or to refuse to renew the lease or agreement for the use of such accommodations, because such tenant or occupant has taken, or proposes to take, action authorized or required by this act or any regulation, order, or requirement thereunder.

Subd. 3. It shall be unlawful for any officer or employee of the commissioner, or for any official advisor or consultant to the commissioner, to disclose, otherwise than in the course of official duty, any information obtained under this act or to use any such information for personal benefit.

Subd. 4. Nothing in this act shall be construed to require any person to offer any housing accommodations for rent.

**Sec. 10. Injunctions.** Subdivision 1. Whenever in the judgment of the commissioner any person has engaged or is

about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 9, the commissioner may make application to the district court for an order enjoining such acts or practices or for an order enforcing compliance with that provision, and, upon a showing by the commissioner that said person has engaged or is about to engage in any such acts or practices, a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

Subd. 2. Any person who wilfully violates any provision of section 9, shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or to imprisonment for not more than two years in the case of a violation of subdivision 3 of section 9 and for not more than one year in all other cases, or to both such fine and imprisonment. Whenever the commissioner has reason to believe that any person is liable to punishment under this subdivision, the commissioner may certify the facts to the county attorney of the county having jurisdiction of the alleged violation, who shall cause appropriate proceedings to be brought.

Subd. 3. Any court shall advance on the docket and expedite the disposition of any criminal or other proceedings brought before it under this section.

Subd. 4. No person shall be held liable for damages or penalties in any court on any grounds for or in respect of anything done or omitted to be done in good faith pursuant to any provision of this act or any regulation, order, or requirement thereunder, notwithstanding that subsequently such provision, regulation, order, or requirement may be modified, rescinded, or determined to be invalid. In any action or proceeding wherein a party relies for ground of relief or defense upon this act or any regulation, order, or requirement thereunder, the court having jurisdiction of such action or proceeding shall certify such fact to the commissioner. The commissioner may intervene in any such action or proceeding.

Subd. 5. If any landlord who receives rent from a tenant violates a regulation or order prescribing a maximum rent with respect to the housing accommodations for which such rent is received from such tenant, the tenant paying such rent may, within one year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the landlord on account of the overcharge as hereinafter defined. In such action, the landlord shall be liable for



reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is the greater:

(1) Such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine; or

(2) An amount not less than \$25.00 nor more than \$50.00, as the court in its discretion may determine; provided, however, that such amount shall be the amount of the overcharge or overcharges, or \$25.00, whichever is greater, if the defendant proves that the violation of the regulation or order in question was neither wilful nor the result of failure to take practicable precautions against the occurrence of the violation. As used in this section, the word "overcharge" shall mean the amount by which the consideration paid by a tenant to a landlord exceeds the applicable maximum rent. If any landlord who receives rent from a tenant violates a regulation or order prescribing a maximum rent with respect to the housing accommodations for which such rent is received from such tenant, and such tenant either fails to institute an action under this subdivision within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the commissioner may institute such action on behalf of the state within such one-year period. If the action is instituted by the commissioner, the tenant affected shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subdivision by either the tenant or the commissioner, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subdivision shall be a bar to the recovery under this subdivision of any damages in any other action against the same landlord on account of the same overcharge prior to the institution of the action in which such judgment was rendered.

**Sec. 11. Certain actions not maintainable; exceptions.**  
Subdivision 1. During the rent control period no action in unlawful detainer affecting housing accommodations in a rent control area, whether instituted before or after the beginning of that period, shall be maintainable by any landlord against any tenant, notwithstanding that the tenant has no lease or that his lease has expired, so long as the tenant continues to pay the rent to which the landlord is entitled under this act unless:

(1) Prior to the beginning of the rent control period the appropriate federal officer or agency has, under regula-

tions issued pursuant to the Emergency Price Control Act of 1942, as amended, or any other act of the Congress relating to rent control, issued a certificate authorizing the pursuit of local remedies for removal or eviction of the tenant by the landlord which would authorize the commencement of the action if federal control were still in force; or

(2) The tenant, who had a written lease or other written rental agreement, has refused upon demand of the landlord to execute a written extension or renewal thereof for a further term of like duration but not in excess of one year, for a rent not in excess of the maximum rent plus 15%, but otherwise on the same terms and conditions as the previous lease or agreement, except insofar as such terms and conditions are inconsistent with this act; or

(3) The tenant has unreasonably refused the landlord access to the housing accommodations for the purpose of inspection or of showing the accommodations to a prospective purchaser, mortgagee, prospective mortgagee, or other person having a legitimate interest therein, provided, however, that such refusal shall not be ground for removal or eviction if such inspection or showing of the accommodations is contrary to the provisions of the tenant's lease or other rental agreement; or

(4) The tenant (a) has violated a substantial obligation of his tenancy, otherwise than an obligation to pay rent, and has continued, or failed to cure, such violation after written notice by the landlord that the violation cease, or (b) is committing or permitting a nuisance or is using or permitting a use of the housing accommodations for an immoral or illegal purpose; or

(5) The tenant's lease or other rental agreement has expired or otherwise terminated, and at the time of termination the occupants of the housing accommodations are subtenants or other persons who occupy under a rental agreement with the tenant, and no part of the accommodations is used by the tenant as his own dwelling; or

(6) The landlord seeks in good faith to recover possession for the immediate purpose of demolishing the housing accommodations and replacing them with new construction, or of substantially altering or remodeling them in a manner which cannot practicably be done with the tenant in occupancy and has obtained approval required by federal, state, or local

law for the alterations, remodeling, or any construction planned; or

(7) The landlord seeks in good faith to recover possession of such housing accommodations for his immediate and personal use and occupancy as housing accommodations; or

(8) The landlord has in good faith contracted in writing to sell the housing accommodations to a purchaser for the immediate and personal use and occupancy as housing accommodations by such purchaser; or

(9) The housing accommodations are nonhousekeeping, furnished housing accommodations located within a single dwelling unit not used as a rooming or boarding house and the remaining portion of it is occupied by the landlord or his immediate family.

Subd. 2. Notwithstanding any other provision of law, the court may stay proceedings for not more than ten days in an action in unlawful detainer instituted under this section.

Subd. 3. Nothing in this section contained shall affect any rights of a tenant to a stay granted pursuant to any laws of Minnesota for 1947 permitting the granting of the staying of writs of restitution to avoid hardship.

Sec. 12. **Definitions.** Subdivision 1. The following words and phrases, when used in this section, unless the context clearly indicates otherwise, shall have the meanings ascribed to them in this subdivision:

(1) "Net income (before interest)" means the amount determined by subtracting unavoidable property taxes and operating costs actually paid or accrued from total income earned.

(2) "Property taxes and operating costs" means all expenses necessary to the operation and maintenance of the property actually paid or accrued and properly allocated, including depreciation but excluding interest.

(3) "Property" includes one or more structures operated as a single unit or enterprise.

(4) "Total income earned" includes rental and other income earned from the property and the rental value of housing accommodations in the property occupied without the full payment of rent.

(5) "Current year" means the most recent calendar or fiscal year used by the landlord or the 12 calendar months im-

mediately prior to commencement of the action in eviction; provided that it shall begin on or after the date when the maximum rent became effective; and provided, further, that it shall be the 12 calendar months immediately prior to the commencement of the action in eviction where the most recent calendar or fiscal year would begin prior to the effective date of this act.

Subd. 2. When substantial hardship has resulted from a substantial decrease in the net income (before interest) of the property for the current year as compared with a representative period prior to the date the maximum rent became effective, due to a substantial and unavoidable increase in property taxes or operating costs, a landlord may institute an action in eviction against a tenant in the district court of the county wherein the property is situated by filing and serving a summons and verified complaint with a prayer that the tenant be evicted from the property. The summons shall be served in the manner provided by law for the service of summons in other civil actions in the district court. After trial of the action in eviction upon the merits, the court, if it shall find that the landlord is entitled to relief, shall make and file its order staying proceedings therein on condition that the tenant pay to the landlord the maximum rent plus such additional amount as will reasonably compensate the landlord for the decrease in the net income (before interest) of the property due to the increase in property taxes or operating costs for the current year as compared with a representative period prior to the date the maximum rent became effective. Pendency of such action with a stay of proceedings therein shall not bar a landlord from maintaining an action in unlawful detainer on the ground of default in the payment of rent or under section 11 of this act.

Subd. 3. No increase in maximum rent shall be granted under this section if the maximum rent is fixed by a lease or other written agreement entered into on or before February 1, 1947, during the term thereof.

Subd. 4. Upon application of either party and upon presentation of evidence that the increase in rent fixed by the court is no longer just and reasonable, the court may revise and alter the terms of the condition of the stay of proceedings with respect to such increase in such manner as may reasonably compensate the landlord for the decrease in net income determined as provided in subdivision 2 of this section.

Subd. 5. So far as applicable and not inconsistent herewith, all provisions of law relating to civil actions in the district court shall apply to and govern actions hereunder.

Sec. 13. **Maximum rent not maintainable in certain instances.** Notwithstanding any other provisions of this act, no maximum rent shall be maintained for, and no regulation or order prescribed or issued under this act shall be applicable in respect of, any housing accommodation with respect to any period after the date on which there is filed with the commissioner either

(1) A qualified lease covering such accommodation, duly executed by both the landlord and the tenant, the term of which begins not later than the day after such date of filing; or

(2) A statement by the landlord, under oath, (a) that he offered to the person in bona fide and lawful possession of such accommodation as a residence a qualified lease therefor, duly executed by him, by delivering the lease to that person for execution by that person, (b) that the term of such lease was to begin not later than 30 days after such delivery, (c) that such offer was a firm and binding offer for a period of not less than 30 days, and (d) that such period has expired and the lease has not been executed by such person; such statement to be accompanied by a copy of the lease offered.

Sec. 14. **Evasion of requirements.** Subdivision 1. The maximum rents and other requirements provided in this act shall not be evaded, either directly or indirectly, in connection with the renting or leasing or the transfer of a lease of housing accommodations, by way of absolute or conditional sale, sale with purchase money or other form of mortgage, or sale with option to repurchase, or by modification of the practices relating to payment of commissions or other charges or by modification of the services furnished with housing accommodations, or by tying agreement, or otherwise.

Subd. 2. Specifically, but without limitation on the foregoing, no person shall require a tenant or prospective tenant to purchase or agree to purchase furniture or any other property as a condition of renting housing accommodations.

Sec. 15. **Rent control areas and maximum rents not established during life of present federal acts.** The establishment of rent control areas and the establishment of maximum rents therein and of regulations and orders relating thereto shall not be or become operative so long as rent control

therein established by federal officers and agencies pursuant to the Emergency Price Control Act of 1942, as amended, or any other act of the Congress providing for rent control, is in force and effect.

Sec. 16. **Citation.** This act shall be known and may be cited as the state emergency rent control act.

Sec. 17. **Expiration date.** This act shall expire on January 15, 1949.

Approved April 28, 1947.

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CHAPTER 633—H. F. No. 1552

[Sections 10 to 15 Coded as Sections 128.311, 128.081 to 128.085; Sections 19 to 21 Coded as Sections 128.086 to 128.088]

*An act relating to state aid for schools, providing tuition for pupils and revenue therefor, and amending Minnesota Statutes 1945, Sections 125.06, Subdivision 11, 125.14, 128.01, 128.02, 128.04, Subdivisions 1 and 2, 128.05, 128.07, 128.15, 131.01, 131.21 and 290.62, and repealing Sections 128.015, 128.03, 128.08 except as it applies to the state schools of agriculture, 128.09, 128.10, 128.11, 128.12, 128.16, 128.17, 128.19, 128.20, 133.04 and 290.623.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1945, Section 125.06, Subdivision 11, is amended to read as follows:

125.06. **Powers and duties of school boards.** Subd. 11. **Admission of non-resident and over-age pupils.** It may provide for the admission to the schools of the district, of non-resident pupils, and those above school age, and fix the rates of tuition for such pupils. In case a person owns land and pays the taxes thereon, in a common or an independent school district other than the one in which he resides, then such person or his tenant shall be admitted to all the benefits of *said* school the same as residents therein, upon conforming to such reasonable terms for tuition and transportation as the board of education of such school district may have established for non-residents, except that he shall be entitled to have the amount of school taxes which he pays to the support of said district applied in payment of said tuition and transportation