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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1790

03/01/2021 Authored by Gomez, Agbaje, Feist, Hassan and Hollins
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 housing; authorizing termination of lease upon loss of income of tenant;
1.3 modifying landlord obligations and liabilities; modifying covenants; authorizing
1.4 recovery of costs; amending Minnesota Statutes 2020, sections 504B.161,
1.5 subdivision 5; 504B.171, subdivision 1, by adding a subdivision; 504B.172;
1.6 proposing coding for new law in Minnesota Statutes, chapter 504B; repealing
1.7 Minnesota Statutes 2020, section 471.9996.

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

1.9 Section 1. 504B.152] TERMINATION OF LEASE UPON LOSS OF INCOME.

1.10 Subdivision 1. Termination of lease upon loss of income of tenant. A residential tenant
1.11 or the authorized representative of the tenant may terminate the lease prior to the expiration
1.12 of the lease in the manner provided in subdivision 2 if the tenant has lost income and can
1.13 no longer pay the rent.

1.14 Subd. 2. Notice. When the conditions in subdivision 1 have been met, the tenant or the
1.15 tenant's authorized representative may terminate the lease by providing at least 14 days
1.16 written notice to be effective on the last day of a calendar month. The notice must be either
1.17 hand-delivered or mailed by postage prepaid, first class United States mail.

1.18 Subd. 3. Waiver prohibited. Any waiver of the rights of termination provided by this
1.19 section, including lease provisions or other agreements that require a longer notice period
1.20 than those provided for in this section, shall be void and unenforceable.

1.21 EFFECTIVE DATE. This section is effective the day following final enactment.

2.1 Sec. 2. **[504B.153] TENANT ABANDONMENT OF DWELLING.**

2.2 Subdivision 1. **Abandonment.** If a residential tenant abandons a dwelling unit during
 2.3 the lease term, the landlord shall make reasonable efforts to rent it at a fair rental value. If
 2.4 the landlord rents the dwelling unit for a term beginning before the expiration of the rental
 2.5 agreement, the agreement is terminated on the date the new tenancy begins. The rental
 2.6 agreement is terminated by the landlord on the date the landlord has notice of the
 2.7 abandonment if the landlord fails to use reasonable efforts to rent the dwelling unit at a fair
 2.8 rental value or if the landlord accepts the abandonment as a surrender. If the rental agreement
 2.9 was for a periodic tenancy or tenancy at will, the maximum rent liability for the tenant is
 2.10 the notice period required by section 504B.135 from the date the landlord has notice of the
 2.11 abandonment.

2.12 Subd. 2. **Waiver prohibited.** Any waiver of the rights provided by this section shall be
 2.13 void and unenforceable.

2.14 Sec. 3. Minnesota Statutes 2020, section 504B.161, subdivision 5, is amended to read:

2.15 Subd. 5. **Injury to third parties.** ~~Nothing in this section shall be construed to alter the~~
 2.16 ~~liability of the landlord or licensor of residential premises for injury to third parties.~~ The
 2.17 landlord is subject to liability for physical harm caused to the tenant and others upon the
 2.18 premises or in the common area and curtilage of the premises with the consent of the tenant
 2.19 by a violation of this section existing before or arising after the tenant has taken possession
 2.20 of the premises if the violation creates an unreasonable risk to persons upon the premises
 2.21 or in the common area and curtilage of the premises which the compliance with this section
 2.22 would have prevented, and the landlord fails to exercise reasonable care to comply with
 2.23 this section.

2.24 Sec. 4. Minnesota Statutes 2020, section 504B.171, subdivision 1, is amended to read:

2.25 Subdivision 1. **Terms of covenant.** (a) In every lease or license of residential premises,
 2.26 whether in writing or parol, the landlord or licensor and the tenant or licensee covenant that:

2.27 (1) neither will:

2.28 (i) unlawfully allow controlled substances in those premises or in the common area and
 2.29 curtilage of the premises in violation of any criminal provision of chapter 152;

2.30 (ii) allow prostitution or prostitution-related activity as defined in section 617.80,
 2.31 subdivision 4, to occur on the premises or in the common area and curtilage of the premises;

3.1 (iii) allow the unlawful use or possession of a firearm in violation of section 609.66,
 3.2 subdivision 1a, 609.67, or 624.713, on the premises or in the common area and curtilage of
 3.3 the premises; or

3.4 (iv) allow stolen property or property obtained by robbery in those premises or in the
 3.5 common area and curtilage of the premises; ~~and~~

3.6 (2) the common area and curtilage of the premises will not be used by either the landlord
 3.7 or licensor or the tenant or licensee or others acting under the control of either to manufacture,
 3.8 sell, give away, barter, deliver, exchange, distribute, purchase, or possess a controlled
 3.9 substance in violation of any criminal provision of chapter 152; and

3.10 (3) The covenant is not violated by the landlord or licensor or the tenant or licensee
 3.11 when a person other than the landlord or licensor or the tenant or licensee violates this
 3.12 subdivision or possesses or allows controlled substances in the premises, common area, or
 3.13 curtilage, unless the landlord or licensor or the tenant or licensee knew or had reason to
 3.14 know of that activity.

3.15 (b) In every lease or license of residential premises, whether in writing or parol, the
 3.16 tenant or licensee covenant that the tenant or licensee will not commit an act enumerated
 3.17 under section 504B.206, subdivision 1, paragraph (a), against a tenant or licensee or any
 3.18 authorized occupant.

3.19 Sec. 5. Minnesota Statutes 2020, section 504B.171, is amended by adding a subdivision
 3.20 to read:

3.21 Subd. 2a. **Limitation on crime-free ordinances and lease provisions.** (a) A residential
 3.22 landlord may not impose a penalty on a residential tenant or terminate the lease of a
 3.23 residential tenant for the conduct of the residential tenant, household member, or guest
 3.24 occurring off of the premises or the common area and curtilage of the premises.

3.25 (b) This subdivision preempts any inconsistent local ordinance or rule including, without
 3.26 limitation, any ordinance or rule that requires an eviction for the conduct of a residential
 3.27 tenant, household member, or guest occurring off of the premises or the common area and
 3.28 curtilage of the premises. This subdivision shall not otherwise preempt any local ordinance
 3.29 or rule that penalizes a landlord for, or requires a landlord to abate, conduct on the premises
 3.30 that constitutes a nuisance or other disorderly conduct as defined by local ordinance or rule.

4.1 Sec. 6. Minnesota Statutes 2020, section 504B.172, is amended to read:

4.2 **504B.172 RECOVERY OF ATTORNEY FEES.**

4.3 If a residential lease specifies an action, circumstances, or an extent to which a landlord,
4.4 directly, or through additional rent, may recover attorney fees in an action between the
4.5 landlord and tenant, the tenant is entitled to attorney fees if the tenant prevails in the same
4.6 type of action, under the same circumstances, or is entitled to costs under section 549.02,
4.7 and to the same extent as specified in the lease for the landlord.

4.8 Sec. 7. **REPEALER.**

4.9 Minnesota Statutes 2020, section 471.9996, is repealed.

471.9996 RENT CONTROL PROHIBITED.

Subdivision 1. **In general.** No statutory or home rule charter city, county, or town may adopt or renew by ordinance or otherwise any law to control rents on private residential property except as provided in subdivision 2. This section does not impair the right of any statutory or home rule charter city, county, or town:

- (1) to manage or control property in which it has a financial interest through a housing authority or similar agency;
- (2) to contract with a property owner;
- (3) to act as required or authorized by laws or regulations of the United States government or this state; or
- (4) to mediate between property owners and tenants for the purpose of negotiating rents.

Subd. 2. **Exception.** Subdivision 1 does not preclude a statutory or home rule charter city, county, or town from controlling rents on private residential property to the extent that the city, county, or town has the power to adopt an ordinance, charter amendment, or law to control these rents if the ordinance, charter amendment, or law that controls rents is approved in a general election. Subdivision 1 does not limit any power or authority of the voters of a statutory or home rule charter city, county, or town to petition for an ordinance or charter amendment to control rents on private residential property to the extent that the power or authority is otherwise provided for by law, and if the ordinance or charter amendment is approved in a general election. This subdivision does not grant any additional power or authority to the citizens of a statutory or home rule charter city, county, or town to vote on any question beyond that contained in other law.

Subdivision 1 does not apply to any statutory city unless the citizens of the statutory city have the authority to vote on the issue of rent control granted by other law.