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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 4517

03/26/2020 Authored by Howard and Olson
The bill was read for the first time and referred to the Housing Finance and Policy Division

1.1 A bill for an act
1.2 relating to housing; limiting late fees on rent during a public health emergency;
1.3 limiting the filing of evictions during a public health emergency; creating the 2020
1.4 emergency housing assistance program; appropriating money for certain housing
1.5 programs; amending Minnesota Statutes 2018, sections 504B.177; 504B.291, by
1.6 adding a subdivision.

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

1.8 Section 1. Minnesota Statutes 2018, section 504B.177, is amended to read:

1.9 504B.177 LATE FEES.

1.10 (a) A landlord of a residential building may not charge a late fee if the rent is paid after
1.11 the due date, unless the tenant and landlord have agreed in writing that a late fee may be
1.12 imposed. The agreement must specify when the late fee will be imposed. In no case may
1.13 the late fee exceed eight percent of the overdue rent payment. Any late fee charged or
1.14 collected is not considered to be either interest or liquidated damages. For purposes of this
1.15 paragraph, the "due date" does not include a date, earlier than the date contained in the
1.16 written or oral lease by which, if the rent is paid, the tenant earns a discount.

1.17 (b) Notwithstanding paragraph (a), if a federal statute, regulation, or handbook permitting
1.18 late fees for a tenancy subsidized under a federal program conflicts with paragraph (a), then
1.19 the landlord may publish and implement a late payment fee schedule that complies with the
1.20 federal statute, regulation, or handbook.

1.21 (c) The landlord of a residential unit may not charge a late fee for the first 60 days after
1.22 the declaration of a public health emergency. For the purposes of this section, "public health
1.23 emergency" has the meaning given in section 504B.291, subdivision 4.

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

2.2 Sec. 2. Minnesota Statutes 2018, section 504B.291, is amended by adding a subdivision
2.3 to read:

2.4 Subd. 4. **Eviction actions; state of emergency.** No action may be filed under this section
2.5 for 30 days after the declaration of a public health emergency if the residence is located in
2.6 the jurisdiction where the public health emergency has been called. Nothing in this section
2.7 reduces the rent owed by the tenant to the landlord, prevents the landlord from collecting
2.8 rent owed, reduces arrears owed by a tenant for rent, or alters the terms of the lease between
2.9 the landlord and tenant. The governor has the power to extend this prohibition on the filing
2.10 of evictions for up to 60 days in the event the public health emergency persists and threatens
2.11 the health and safety of the citizens of the state. For the purposes of this section, "public
2.12 health emergency" means an emergency need for health care and medical services to respond
2.13 to a disaster, significant outbreak of an infectious disease, bioterrorist attack, or other
2.14 significant or catastrophic health-related event that is declared a state of emergency by the
2.15 President of the United States, the governor, or a local government official with the authority
2.16 under law to declare a state of emergency.

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

2.18 Sec. 3. **2020 EMERGENCY HOUSING ASSISTANCE PROGRAM.**

2.19 Subdivision 1. **Program established.** The commissioner of the Housing Finance Agency
2.20 shall establish the 2020 emergency housing assistance program to provide funding to
2.21 individuals, families, and homeowners to prevent homelessness and help maintain
2.22 homeownership. The commissioner may contract with county agencies or nonprofit
2.23 organizations to provide funding, advocacy, and support services to process applications
2.24 for funding under this program.

2.25 Subd. 2. **Eligibility.** (a) To be eligible for funding under the 2020 emergency housing
2.26 assistance program, applicants must:

2.27 (1) have a public-health-related emergency that requires immediate financial assistance;

2.28 (2) have a rent or a mortgage payment that cannot be paid through the income or assets
2.29 of the individual or family;

2.30 (3) not have the ability to pay rent owed or a mortgage due because of the public health
2.31 emergency;

3.1 (4) be an individual or family with a current net income under 200 percent of the federal
 3.2 poverty guidelines at the time of application;

3.3 (5) not be receiving state or federal assistance that could be used to pay rent or the
 3.4 mortgage on a home; and

3.5 (6) have lived in Minnesota for at least 30 days.

3.6 (b) If an applicant applies for relief from sources other than the 2020 emergency housing
 3.7 assistance program and receives aid for the purposes of paying for housing, the applicant
 3.8 must immediately notify the granting agency. Applicants may receive funding for rent or
 3.9 a mortgage payment that is due within seven days of the application or that is up to 60 days
 3.10 past due at the time of application.

3.11 (c) The financial assistance provided to an individual or family must not exceed the
 3.12 minimum rent due or mortgage owed for a period of 90 days. Funding under this section
 3.13 must be paid directly to the landlord or leasing agent for a rental unit, or to the financial
 3.14 servicer for a mortgage, or the entity that owns the mortgage for a homeowner.

3.15 (d) Individuals and families who are eligible for emergency assistance may receive
 3.16 grants under this section without meeting the eligibility requirements in paragraph (a) if
 3.17 they are currently eligible for emergency assistance but have used emergency assistance in
 3.18 the past 12 months, or when emergency assistance funding is no longer available.

3.19 (e) The commissioner shall develop applications for the program and ensure applicants
 3.20 are eligible for programs.

3.21 (f) For the purposes of this section, "public-health-related emergency" means a serious
 3.22 illness or disability that prevents the individual from maintaining employment temporarily
 3.23 or permanently and that substantially reduces the individual's income, or a substantial
 3.24 reduction in income or temporary or permanent unemployment due to the declaration of a
 3.25 state of emergency by the President of the United States, the governor, or a local unit of
 3.26 government.

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

3.28 Sec. 4. **APPROPRIATION; 2020 EMERGENCY HOUSING ASSISTANCE**
 3.29 **PROGRAM.**

3.30 \$..... in fiscal year 2020 is appropriated from the general fund to the commissioner of
 3.31 the Housing Finance Agency to administer the 2020 emergency housing assistance program.
 3.32 Funding under this section is onetime and available until September 30, 2020.

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

4.2 Sec. 5. **APPROPRIATION; FAMILY HOMELESS PREVENTION AND**
4.3 **ASSISTANCE PROGRAM.**

4.4 \$..... in fiscal year 2020 is appropriated from the general fund to the commissioner of
4.5 the Housing Finance Agency for the family homeless prevention and assistance program
4.6 under Minnesota Statutes, section 462A.204. Funds appropriated under this section are
4.7 available until June 30, 2021.

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

4.9 Sec. 6. **APPROPRIATION; COUNTY EMERGENCY ASSISTANCE GRANTS.**

4.10 \$..... in fiscal year 2020 is appropriated from the general fund to the commissioner of
4.11 human services for emergency assistance grants under section 256D.06, subdivision 2.
4.12 Funds appropriated under this section are available until June 30, 2021.

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