

question are being held in violation of this section, it shall enter an order so declaring. The attorney general shall file for record any such order with the register of deeds or the registrar of titles of each county in which any portion of said lands are located. Thereafter, the corporation owning such land shall have a period of five years from the date of such order to divest itself of such lands. The aforementioned five year limitation period shall be deemed a covenant running with the title to the land against any corporate grantee or assignee or the successor of such corporation. Any lands not so divested within the time prescribed shall be sold at public sale in the manner prescribed by law for the foreclosure of a mortgage by action.

[1973 c 427 s 1]

CHAPTER 501. USES AND TRUSTS

Sec.
501.461 Trusts not affected [New].

501.461 Trusts not affected

Notwithstanding any other provisions of law to the contrary, the provisions of any trust created prior to June 1, 1973 relating to one's "minority" or "majority" or other relating terms shall be governed by the definitions of such terms existing at the time of the creation of such trust.

[1973 c 725 s 88]

CHAPTER 504. LANDLORDS AND TENANTS

Sec.
504.19 Repealed.
504.20 Interest on security deposits;
withholding security deposits;
damages [New].

Sec.
504.21 Restriction on automatic renew-
als of leases [New].

504.19 [Repealed, 1973 c 561 s 2]

504.20 Interest on security deposits; withholding security deposits; damages

Subdivision 1. Any deposit of money, the function of which is to secure the performance of a residential rental agreement or any part of such an agreement, other than a deposit which is exclusively an advance payment of rent, shall be governed by the provisions of this section.

Subd. 2. Any such deposit of money shall not be considered received in a fiduciary capacity within the meaning of section 87.17, subdivision 7, but shall be held by the landlord for the tenant who is party to such agreement and shall bear simple interest at the rate of five percent per annum noncompounded, computed from the first day of the next month following the full payment of such deposit to the last day of the month of termination of the tenancy. Any interest amount less than \$1 shall be excluded from the provisions of this section.

Subd. 3. Every landlord shall, within two weeks after termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, return such deposit to the tenant, with interest thereon as above provided, or furnish to the tenant a written statement showing the specific reason for the withholding of the deposit or any portion thereof. The landlord may withhold from such deposit only such amounts as are reasonably necessary:

(a) To remedy tenant defaults in the payment of rent or of other funds due to the landlord pursuant to an agreement; or

(b) To restore the premises to their condition at the commencement of the tenancy, ordinary wear and tear excepted.

In any action concerning such deposit, the burden of proving, by a fair preponderance of the evidence, the reason for withholding all or any portion of such deposit shall be on the landlord.

504.20 LANDLORDS AND TENANTS

Subd. 4. Any landlord who fails to provide a written statement within two weeks of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, shall forfeit all rights to withhold any portion of such deposit.

Subd. 5. Upon termination of the landlord's interest in the premises, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or his agent shall, within a reasonable time, do one of the following acts, either of which shall relieve him of further liability with respect to such deposit:

(a) Transfer such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the landlord's successor in interest and thereafter notify the tenant of such transfer and of the transferee's name and address; or

(b) Return such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the tenant.

Subd. 6. Upon termination of the landlord's interest in the premises, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord's successor in interest shall have all of the rights and obligations of the landlord with respect to such deposit, except, that if tenant does not object to the stated amount within 20 days after written notice to tenant of the amount of deposit being transferred or assumed, the obligation of the landlord's successor to return such deposit shall be limited to the amount contained in such notice. Such notice shall contain a stamped envelope addressed to landlord's successor and may be given by mail or by personal service.

Subd. 7. The bad faith retention by a landlord of such deposit, or any portion thereof, in violation of this section shall subject the landlord to punitive damages not to exceed \$200 in addition to any actual damages. Failure by the landlord to provide the written statement required by subdivision 3 and to return such deposit within two weeks after the commencement of any action for the recovery of such deposit shall be presumed to be a bad faith retention by the landlord of such deposit.

Subd. 8. Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable.

Subd. 9. The provisions of this section shall apply only to tenancies commencing or renewed on or after July 1, 1973. For the purposes of this section, estates at will shall be deemed to be renewed at the commencement of each rental period.

[1973 c 561 s 1]

504.21 Restriction on automatic renewals of leases

Notwithstanding the provisions of any lease of real property used for residential purposes, no person shall have the right to enforce any automatic renewal clause of a lease which states, in effect, that the term thereof shall be deemed renewed for a specified additional period of time unless the lessee or tenant gives notice to the lessor of his intention to quit the premises at the expiration of the term due to expire, unless the lessor or his agent, within 15 days prior to the time that the lessee or tenant is required to furnish notice of his intention to quit, but not more than 30 days prior thereto, shall give to the tenant written notice, served personally or by registered or certified mail, directing the lessee's or tenant's attention to the automatic renewal provision of the lease.

[1973 c 603 s 1]