504B.173 APPLICANT SCREENING FEE.

Subdivision 1. **Limitations.** A landlord may not:

- (1) charge an applicant a screening fee when the landlord knows or should have known that no rental unit is available at that time or will be available within a reasonable future time;
- (2) collect or hold an applicant screening fee without giving the applicant a written receipt for the fee, which may be incorporated into the application form, upon request of the applicant; or
- (3) use, cash, or deposit an applicant screening fee until all prior applicants have either been screened and rejected, or offered the unit and declined to enter into a rental agreement.
 - Subd. 2. **Return of applicant screening fee.** (a) The landlord must return the applicant screening fee if:
 - (1) the applicant is rejected for any reason not listed in the disclosure required under subdivision 3; or
 - (2) a prior applicant is offered the unit and agrees to enter into a rental agreement.
- (b) If the landlord does not perform a personal reference check or does not obtain a consumer credit report or tenant screening report, the landlord must return any amount of the applicant screening fee that is not used for those purposes.
- (c) The applicant screening fee may be returned by mail, may be destroyed upon the applicant's request if paid by check, or may be made available for the applicant to retrieve.
- Subd. 3. **Disclosures to applicant.** If a landlord accepts an applicant screening fee from a prospective tenant, the landlord must:
 - (1) disclose in writing prior to accepting the applicant screening fee:
- (i) the name, address, and telephone number of the tenant screening service the landlord will use, unless the landlord does not use a tenant screening service; and
 - (ii) the criteria on which the decision to rent to the prospective tenant will be based; and
- (2) notify the applicant within 14 days of rejecting a rental application, identifying the criteria the applicant failed to meet.
- Subd. 4. **Remedies.** (a) In addition to any other remedies, a landlord who violates this section is liable to the applicant for the applicant screening fee plus a civil penalty of up to \$100, civil court filing costs, and reasonable attorney fees incurred to enforce this remedy.
- (b) A prospective tenant who provides materially false information on the application or omits material information requested is liable to the landlord for damages, plus a civil penalty of up to \$500, civil court filing costs, and reasonable attorney fees.

History: 1999 c 150 s 1; 1999 c 199 art 1 s 174; 2010 c 315 s 4