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. 3a. **Denial based on pending cases.** No landlord may deny a rental application based on any of the following:

(1) a pending eviction action;

(2) any court file that is not public, has been expunged, or has been destroyed; or

(3) any eviction action that has not resulted in a writ of recovery of premises and order to vacate, as that term is defined in section 504B.001, subdivision 15.

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; 2024 c 118 s 12*