

APPENDIX 2

Summary of Legislative History of 1992 Minn. Laws ch. 376, art. 1, s. 5.

Items from the Journal of the House and Journal of the Senate

Items from the Gale Family Library in the Minnesota History Center

**Legislative History Summary of 1992 Minn. Laws ch. 326, art 1
(from SF 720¹)
– and progress of companion HF 1002¹**

Progress of SF 720 in Senate²

Page in Senate Journal	Date	Event
345	3/11/91	First Reading ³ , Endnote 0 is first page and security-deposit portion; referred to Committee on Economic Development & Housing
409	3/11/91	Amendments not related to security-deposit portion
2604	5/2/91	Amendments not related to security-deposit portion
3209	5/13/91	Delete all reported back from Committee on Finance to which it had been re-referred via the Committee on Judiciary ⁴ – Endnote 1 is Article 1 portion, incorporates SF 951, whose engrossment is shown as Endnote 9 (only first, last, and security-deposit pages)
3354	5/14/91	Committee of the Whole, do pass
3418	5/15/91	Third Reading, passage 67-0
4132-4133	5/20/91	Announce House passed its version of SF 720, non-concur
4393	5/20/91	Conferees appointed → James Metzen, Randy Kelly & John Bernhagen
4458	5/20/91	Conferees agreed to by the House
5392	5/20/91	Conference report (delete all), Endnote 2 is Article 1 portion
5803	3/2/92	Recalled from House for further consideration
5900	3/9/92	House returns to Senate, laid on table
6273	3/16/92	Reconsider
6506	3/19/92	Appointment of another set of conferees
6626	3/23/92	Conference report (delete all), Endnote 3 is Article 1 portion
6648	3/23/92	Third Reading, passage 60-0
6720	3/25/92	Announce House agreed to conference Report
7577		Bill signed by the Governor

¹These are huge companion bills. As introduced they were identical. Article 1 is landlord-tenant provisions. Only Article 1 is followed in this history.

²Except as otherwise noted, the information in this table is from the Journal of the Minnesota Senate, which is available in law libraries, some public libraries, and the Gale Family Library in the Minnesota History Center.

³The original bill is available at the Gale Family Library.

⁴See page 50 (last page) of Endnote 9 for the referral of SF 951 from Economic Development to Judiciary, an intermediate stopover of SF 951 language which was incorporated into SF 720. Committee documents are available at the Gale Family Library.

Progress of HF 1002 in House⁵

Page in House Journal	Date	Event
682	3/21/91	First Reading ⁶ , security deposit language is the same as in Endnote 0; referred to Committee on Housing
2062	4/17/91	Delete all – landlord-tenant items gone from bill
2971	4/25/91	A few amendments, landlord-tenant items still gone
5552	5/14/91	Delete all reported back from Committee on Appropriations to which it had been re-referred. Endnote 4 is Article 1 portion. It incorporates HF 714 as passed out by the Committee on Housing on 3/25/91. ⁷
5654	5/14/91	Second Reading
5852	5/14/91	Compare to SF 720
5887	5/16/91	Special orders
5955	6/17/91	Comparison shows identical to SF 720 with exceptions
6841	5/18/91	Remove Runbeck as author

bill progress ends

⁵Except as otherwise noted, the information in this table is from the Journal of the Minnesota House, which is available in law libraries, some public libraries, and the Gale Family Library.

⁶The original bill is available at the Gale Family Library.

⁷Committee documents are available at the Gale Family Library.

Progress of SF 720 in House⁸

Page in House Journal	Date	Event
5850-5851	5/16/91	Announces Senate passed SF 720. First Reading. Clerk for comparison with HF 1002
5955	5/17/91	Comparison shows HF 1002 & SF 720 identical with exceptions
6002	5/17/91	Second Reading
6781-6782	5/18/91	Delete-all amendment moved by Clark. Language of delete all amendment is same as 5/14/91 version of HF 1002.
6838	5/18/91	Third Reading (of delete all), passage 68-61
6951	5/20/91	Announces Senate does not concur
6953	5/20/91	Conferees appointed → Karen Clark, Richard Jefferson & Connie Morrison
9384-9885	3/5/92	Return to Senate for more consideration
10655	3/24/92	Conference report (delete all) Article 1 portion; see Endnote 3 for language (obviously the same language since same report)
10684-10685 12109	3/24/92	Third Reading (of conference report), passage 76-53 Bill signed by the Governor

⁸Except as otherwise noted, the information in this table is from the Journal of the Minnesota House, which is available in law libraries, some public libraries, and the Gale Family Library.

Some Items from Committee Files

Minutes, House Committee on Housing, 3/25/91.....Endnote 5
Minutes, Senate Committee on Economic Development & Housing, 3/25/91.....Endnote 6
Bill Summary distributed to Senate Committee on Econ Dev & Housing on 3/25/91....Endnote 7
Amendment SF915A1⁹ in Senate Committee on Econ Dev & Housing, 3/25-4/3/91..... Endnote 8
Engrossment of SF915¹⁰ from Senate Committee on Econ Dev & Housing, 4/3/91.....Endnote 9
Minutes, Senate Committee on Economic Development & Housing, 4/3/91.....Endnote 10

⁹Only first page and pages showing security deposit language.

¹⁰Only first page, last page and pages showing security deposit language.

Endnote 0

A bill for an act

1
2 relating to housing; modifying procedures relating to
3 rent escrow actions; modifying procedures relating to
4 the tenant's loss of essential services; modifying
5 provisions relating to tenant remedy actions,
6 retaliatory eviction proceedings, and receivership
7 proceedings; modifying provisions relating to
8 Minnesota housing finance agency low- and
9 moderate-income housing programs; providing for an
10 emergency mortgage and rental assistance pilot
11 project; modifying certain receivership, assignment of
12 rents and profits, and landlord and tenant provisions;
13 modifying provisions relating to housing and
14 redevelopment authorities; providing for the issuance
15 of general obligation bonds for housing by the cities
16 of Minneapolis and St. Paul; authorizing the city of
17 Minneapolis to make small business loans; modifying
18 the property tax classification of certain residential
19 real estate; excluding housing districts from the
20 calculation of local government aid reductions;
21 modifying the interest rate reduction program;
22 changing the definition of mentally ill person;
23 consolidating special needs housing programs;
24 clarifying and amending biennial reporting
25 requirement; authorizing new construction of
26 accessible housing; authorizing off-reservation home
27 improvement program; appropriating money; amending
28 Minnesota Statutes 1990, sections 268.39; 273.124,
29 subdivisions 1 and 11; 273.13, subdivision 25;
30 273.1399, subdivision 1; 462A.03, subdivisions 10 and
31 16; 462A.05, subdivision 20, and by adding a
32 subdivision; 462A.21, subdivisions 4k, 12a, and 14;
33 462A.22, subdivision 9; 462A.222, subdivision 3;
34 462C.03, subdivision 10; 469.011, subdivision 4;
469.015, subdivisions 3, 4.

1 service and fails to do so, a tenant or group of tenants may pay
2 to have the service continued or reconnected as provided under
3 this section. Before paying for the service, the tenant or
4 group of tenants shall give oral or written notice to the owner
5 of the tenant's intention to pay after 48 hours, or a shorter
6 period that is reasonable under the circumstances, if the owner
7 has not already paid for the service. In the case of oral
8 notification, written notice shall be mailed or delivered to the
9 owner within 24 hours after oral notice is given.

10 (a) In the case of natural gas, electricity, or water, if
11 the owner has not yet paid the bill by the time of the tenant's
12 intended payment, or if the service remains discontinued, the
13 tenant or tenants may pay the outstanding bill for the most
14 recent billing period, if the utility company or municipality
15 will restore the service for at least one billing period.

16 (b) In the case of home heating oil or propane, if the
17 owner has not yet paid the bill by the time of the tenant's
18 intended payment, or if the service remains discontinued, the
19 tenant or tenants may order and pay for one month's supply of
20 the proper grade and quality of oil or propane.

21 After submitting receipts for the payment to the owner, a
22 tenant may deduct the amount of the tenant's payment from the
23 rental payment next paid to the owner. Any amount paid to the
24 municipality, utility company, or other company by a tenant
25 under this subdivision is considered payment of rent to the
26 owner for purposes of section 504.02.

27 Sec. 4. Minnesota Statutes 1990, section 504.20,
28 subdivision 3, is amended to read:

29 Subd. 3. Every landlord shall, within three weeks after
30 termination of the tenancy or within five days of the date when

1 to the tenant a written statement showing the specific reason
2 for the withholding of the deposit or any portion thereof. It
3 shall be sufficient compliance with the time requirement of this
4 subdivision if the deposit or written statement required by this
5 subdivision is placed in the United States mail as first class
6 mail, postage prepaid, in an envelope with a proper return
7 address, correctly addressed according to the mailing address or
8 delivery instructions furnished by the tenant, within the time
9 required by this subdivision. The landlord may withhold from
10 the deposit only amounts reasonably necessary:

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

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

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

19 Sec. 5. Minnesota Statutes 1990, section 504.20,
20 subdivision 4, is amended to read:

21 Subd. 4. Any landlord who fails to provide a written
22 statement within three weeks of termination of the tenancy or
23 within five days of the date when the tenant leaves the building
24 or dwelling due to the legal condemnation of the building or
25 dwelling in which the tenant lives for reasons not due to
26 willful, malicious, or irresponsible conduct of the tenant, and
27 receipt of the tenant's mailing address or delivery
28 instructions, as required in subdivision 3, shall be liable to
29 the tenant for damages in an amount equal to the portion of the
30 deposit withheld by the landlord and interest thereon as

paragraph must be conditioned to pay the state on unlawful performance of work regulated by this chapter in this state. The ~~bond is~~ bonds are in lieu of other license bonds required by a political subdivision of the state.

(b) From proceeds of ~~the bond~~ a bond required in paragraph (a), the commissioner may compensate persons injured or suffering financial loss because of a failure of the applicant to properly perform work or duties."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "of" insert ", and other activities relating to,"

Page 1, line 16, delete "8" and insert "5, 8,"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 720: A bill for an act relating to housing; authorizing the Minnesota housing finance agency to establish a shallow rent subsidy program, a family stabilization demonstration project, a lease-purchase housing program, a blighted property acquisition program, and a housing capital reserve program; appropriating money; amending Minnesota Statutes 1990, sections 462A.03, by adding a subdivision; and 462A.05, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

LANDLORD AND TENANT

Section 1. Minnesota Statutes 1990, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

(3) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;

(4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;

Endnote 1

(5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;

(6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not, directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;

(7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested personally or in a representative capacity, except wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

(8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;

(9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed and by whom no compensation is, directly or indirectly, received for the services;

(10) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for the work;

(11) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(12) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal; and

(13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to ~~566.33~~ 566.35 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to

the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause.

Sec. 2. Minnesota Statutes 1990, section 504.02, is amended to read:

504.02 [CANCELLATION OF LEASES IN CERTAIN CASES; ABANDONMENT OR SURRENDER OF POSSESSION.]

Subdivision 1. [ACTION TO RECOVER.] (a) In case of a lease of real property, when the landlord has a subsisting right of reentry for the failure of the tenant to pay rent the landlord may bring an action to recover possession of the property and such action is equivalent to a demand for the rent and a reentry upon the property; but if, at any time before possession has been delivered to the plaintiff on recovery in the action, the lessee or a successor in interest as to the whole or any part of the property pays to the plaintiff or brings into court the amount of the rent then in arrears, with interest and costs of the action, and an attorney's fee not exceeding \$5, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease.

(b) If the lessee or successor in interest brings into court the amount of the rent in arrears and the court finds:

(1) that for reasons beyond the defendant's reasonable control the defendant could not pay the rent in arrears prior to the bringing of the action; and

(2) that the defendant meets the financial eligibility criteria in section 563.01, subdivision 3;

the court shall order the court administrator to refund to the plaintiff the filing fee in the action and order the defendant to pay the remainder of the costs of the action to the plaintiff.

(c) If the tenant has paid to the plaintiff or brought into court the amount of rent in arrears but is unable to pay the interest, costs of the action, and attorney fees required by this subdivision, the court may permit the defendant to pay these amounts into court and be restored to possession within the same period of time, if any, which the court stays the issuance of the writ of restitution pursuant to section 566.09.

(d) Prior to or after commencement of an action to recover possession for nonpayment of rent, the parties may agree only in writing that partial payment of rent in arrears which is accepted by the landlord prior to issuance of the order granting restitution of the premises pursuant to section 566.09 may be applied to the balance due and does not waive the landlord's action to recover possession of the premises for nonpayment of rent.

(e) Rental payments under this subdivision must first be applied to rent claimed as due in the complaint from prior rental periods before applying any payment toward rent claimed in the complaint for the current rental period, unless the court finds that under the circumstances the claim for rent from prior rental periods has been waived.

Subd. 2. [LEASE GREATER THAN 20 YEARS.] (a) If the lease under which the right of reentry is claimed is a lease for a term of more than 20 years, reentry cannot be made into the land or such action commenced by the landlord unless, after default, the landlord shall serve upon the tenant, also upon all creditors having a lien of record legal or equitable upon the leased premises or any part thereof, a written notice that the lease will be canceled and terminated unless the payment or payments in default shall be made and the covenants in default shall be performed within 30 days after the service of such notice, or within such greater period as the lessor shall specify in the notice, and if such default shall not be removed within the period specified within the notice, then the right of reentry shall be complete at the expiration of the period and may be exercised as provided by law. If any such lease shall provide that the landlord, after default, shall give more than 30 days' notice in writing to the tenant of the landlord intention to terminate the tenancy by reason of default in terms thereof, then the length of the notice to terminate shall be the same as provided for and required by the lease.

(b) As to such leases for a term of more than 20 years, if at any time before the expiration of six months after possession obtained by the plaintiff by abandonment or surrender of possession by the tenant or on recovery in the action, the lessee or a successor in interest as to the whole or part of the property, or any creditor having a lien legal or equitable upon the leased premises or any part thereof, pays to the plaintiff, or brings into court, the amount of rent then in arrears, with interest and the costs of the action, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease. The provisions of this section shall not apply to any action or proceeding now pending in any of the courts of this state.

Subd. 3. [JUDGMENT TO BE RECORDED.] Upon recovery of possession by the landlord in the action a certified copy of the judgment shall be recorded in the office of the county recorder of the county where the land is situated if unregistered land or in the office of the registrar of titles of such county if registered land and upon recovery of possession by the landlord by abandonment or surrender by the tenant an affidavit by the landlord or the landlord's attorney setting forth such fact shall be recorded in a like manner and such recorded certified copy of such judgment or such recorded affidavit shall be prima facie evidence of the facts stated therein in reference to the recovery of possession by such landlord.

Sec. 3. Minnesota Statutes 1990, section 504.18, subdivision 1, is amended to read:

Subdivision 1. In every lease or license of residential premises, whether in writing or parol, the lessor or licensor covenants:

(a) That the premises and all common areas are fit for the use intended by the parties.

(b) To keep the premises in reasonable repair during the term of the lease or license, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the lessee or licensee or a person under the direction or control of the lessee or licensee.

(c) To maintain the premises in compliance with the applicable health and safety laws of the state, *including the weatherstripping, caulking, storm*

window, and storm door energy efficiency standards for renter-occupied residences prescribed by section 216C.27, subdivisions 1 and 3, and of the local units of government where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the lessee or licensee or a person under the direction or control of the lessee or licensee.

The parties to a lease or license of residential premises may not waive or modify the covenants imposed by this section.

Sec. 4. Minnesota Statutes 1990, section 504.185, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] When a municipality, utility company, or other company supplying home heating oil, propane, natural gas, electricity, or water to a building has *issued a final notice or has posted the building proposing to disconnect or discontinued the service to the building because an owner who has contracted for the service has failed to pay for it or because an owner is required by law or contract to pay for the service and fails to do so*, a tenant or group of tenants may pay to have the service *continued or reconnected as provided under this section*. Before paying for the service, the tenant or group of tenants shall give oral or written notice to the owner of the tenant's intention to pay after 48 hours, or a shorter period that is reasonable under the circumstances, if the owner has not already paid for the service. In the case of oral notification, written notice shall be mailed or delivered to the owner within 24 hours after oral notice is given.

(a) In the case of natural gas, electricity, or water, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may pay the outstanding bill for the most recent billing period, if the utility company or municipality will restore the service for at least one billing period.

(b) In the case of home heating oil or propane, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may order and pay for one month's supply of the proper grade and quality of oil or propane.

After submitting receipts for the payment to the owner, a tenant may deduct the amount of the tenant's payment from the rental payment next paid to the owner. Any amount paid to the municipality, utility company, or other company by a tenant under this subdivision is considered payment of rent to the owner for purposes of section 504.02.

Sec. 5. Minnesota Statutes 1990, section 504.20, subdivision 3, is amended to read:

Subd. 3. Every landlord shall, within three weeks after termination of the tenancy *or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant*, and after receipt of the tenant's mailing address or delivery instructions, return the 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. It shall be sufficient compliance with the time requirement of this subdivision if the deposit or written statement required by this subdivision

A

is placed in the United States mail as first class mail, postage prepaid, in an envelope with a proper return address, correctly addressed according to the mailing address or delivery instructions furnished by the tenant, within the time required by this subdivision. The landlord may withhold from the deposit only amounts 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 the deposit, the burden of proving, by a fair preponderance of the evidence, the reason for withholding all or any portion of the deposit shall be on the landlord.

Sec. 6. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to provide a written statement within three weeks of termination of the tenancy *or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant*, and after receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, shall be liable to the tenant for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Sec. 7. Minnesota Statutes 1990, section 504.27, is amended to read:

504.27 [REMEDIES ARE ADDITIONAL.]

The remedies provided in sections 504.24 to 504.26 are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of sections 504.24 to 504.27 is waived by a tenant is contrary to public policy and void. The provisions of sections 504.24 to 504.27 shall apply only to tenants as that term is defined in section 566.18, subdivision 2, and buildings as that term is defined in section 566.18, subdivision 7. *The provisions of sections 504.24, 504.25, 504.255, and 504.26 apply to occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired.*

ARTICLE 2

UNLAWFUL DETAINER

Section 1. Minnesota Statutes 1990, section 566.03, subdivision 1, is amended to read:

Subdivision 1. *The person entitled to the premises may recover possession in the manner provided in this section when:*

(1) any person holds over lands or tenements after a sale thereof on an execution or judgment, or on foreclosure of a mortgage, and expiration of the time for redemption, or after termination of contract to convey the same, provided that if the person holding such lands or tenements after the ~~sale,~~

May 20, 1991

Mr. Riveness moved that the foregoing recommendations and Conference Committee Report on H.F. No. 694 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 694 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 50 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.E.	Merriam	Pogemiller
Beckman	DeCramer	Johnson, J.B.	Metzen	Price
Belanger	Finn	Kelly	Moe, R.D.	Ranum
Benson, D.D.	Flynn	Knaak	Mondale	Reichgott
Benson, J.E.	Frank	Kroening	Morse	Riveness
Berglin	Frederickson, D.J.	Laidig	Neuville	Sams
Brataas	Frederickson, D.R.	Luther	Novak	Spear
Cohen	Gustafson	Marty	Olson	Traub
Dahl	Hottinger	McGowan	Pappas	Vickerman
Davis	Hughes	Mehrkens	Piper	Waldorf

Endnote 2

Those who voted in the negative were:

Berg	Chmielewski	Larson	Pariseau	Storm
Bernhagen	Halberg	Lessard	Renneke	Stumpf
Bertram	Johnston			

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 720 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 720

A bill for an act relating to housing and economic development; modifying procedures relating to rent escrow actions; modifying procedures relating to the tenant's loss of essential services; modifying provisions relating to tenant remedy actions, retaliatory eviction proceedings, and receivership proceedings; modifying provisions relating to Minnesota housing finance agency low- and moderate-income housing programs; requiring counseling for reverse mortgage loans; modifying certain receivership, assignment of rents and profits, and landlord and tenant provisions; modifying provisions relating to housing and redevelopment authorities; providing for the issuance of general obligation bonds for housing by the cities of Minneapolis and St. Paul; authorizing the city of Minneapolis to make small business loans; authorizing certain economic development activities within the city of St. Paul; excluding housing districts from the calculation of local government aid reductions; modifying the interest rate reduction program; appropriating money; amending Minnesota Statutes 1990, sections 47.58, by adding a subdivision; 268.39; 273.1399, subdivision 1; 462A.03, subdivisions 10, 13, and 16; 462A.05, subdivision 20, and by adding a subdivision; 462A.08, subdivision 2; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 462C.03, subdivision 10; 469.002, subdivision

24; 469.011, subdivision 4; 469.012, subdivisions 1 and 3; 469.015, subdivisions 3, 4, and by adding a subdivision; 469.176, subdivision 4f; 474A.048, subdivision 2; 481.02, subdivision 3; 504.02; 504.18, subdivision 1; 504.185, subdivision 2; 504.20, subdivisions 3, 4, 5, and 7; 504.27; 559.17, subdivision 2; 566.03, subdivision 1; 566.17, by adding a subdivision; 566.175, subdivision 6; 566.18, subdivision 9; 566.29, subdivisions 2 and 4; and 576.01, subdivision 2; Laws 1974, chapter 285, section 4, as amended; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1988, chapter 594, section 6; Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1990, section 462A.05, subdivisions 28 and 28.

May 20, 1991

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 720, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 720 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE I

LANDLORD AND TENANT

Section 1. Minnesota Statutes 1990, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

- (1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;
- (2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;
- (3) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;
- (4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;
- (5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;
- (6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not,

rectly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;

(7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested personally or in a representative capacity, except wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

(8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;

(9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed and by whom no compensation is, directly or indirectly, received for the services;

(10) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for the work;

(11) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(12) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal; and

(13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to ~~566.33~~ 566.35 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided

that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause.

Sec. 2. Minnesota Statutes 1990, section 504.02, is amended to read:

504.02 [CANCELLATION OF LEASES IN CERTAIN CASES; ABANDONMENT OR SURRENDER OF POSSESSION.]

Subdivision 1. [ACTION TO RECOVER.] (a) In case of a lease of real property, when the landlord has a subsisting right of reentry for the failure of the tenant to pay rent the landlord may bring an action to recover possession of the property and such action is equivalent to a demand for the rent and a reentry upon the property; but if, at any time before possession has been delivered to the plaintiff on recovery in the action, the lessee or a successor in interest as to the whole or any part of the property pays to the plaintiff or brings into court the amount of the rent then in arrears, with interest and costs of the action, and an attorney's fee not exceeding \$5, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease.

(b) *If the tenant has paid to the plaintiff or brought into court the amount of rent in arrears but is unable to pay the interest, costs of the action, and attorney fees required by this subdivision, the court may permit the defendant to pay these amounts into court and be restored to possession within the same period of time, if any, which the court stays the issuance of the writ of restitution pursuant to section 566.09.*

(c) *Prior to or after commencement of an action to recover possession for nonpayment of rent, the parties may agree only in writing that partial payment of rent in arrears which is accepted by the landlord prior to issuance of the order granting restitution of the premises pursuant to section 566.09 may be applied to the balance due and does not waive the landlord's action to recover possession of the premises for nonpayment of rent.*

(d) *Rental payments under this subdivision must first be applied to rent claimed as due in the complaint from prior rental periods before applying any payment toward rent claimed in the complaint for the current rental period, unless the court finds that under the circumstances the claim for rent from prior rental periods has been waived.*

Subd. 2. [LEASE GREATER THAN 20 YEARS.] (a) If the lease under which the right of reentry is claimed is a lease for a term of more than 20 years, reentry cannot be made into the land or such action commenced by the landlord unless, after default, the landlord shall serve upon the tenant, also upon all creditors having a lien of record legal or equitable upon the leased premises or any part thereof, a written notice that the lease will be canceled and terminated unless the payment or payments in default shall be made and the covenants in default shall be performed within 30 days after the service of such notice, or within such greater period as the lessor shall specify in the notice, and if such default shall not be removed within the period specified within the notice, then the right of reentry shall be complete at the expiration of the period and may be exercised as provided by law. If any such lease shall provide that the landlord, after default, shall give more than 30 days' notice in writing to the tenant of the landlord's intention to terminate the tenancy by reason of default in terms thereof, then the length of the notice to terminate shall be the same as provided for

and required by the lease.

(b) As to such leases for a term of more than 20 years, if at any time before the expiration of six months after possession obtained by the plaintiff by abandonment or surrender of possession by the tenant or on recovery in the action, the lessee or a successor in interest as to the whole or part of the property, or any creditor having a lien legal or equitable upon the leased premises or any part thereof, pays to the plaintiff, or brings into court, the amount of rent then in arrears, with interest and the costs of the action, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease. The provisions of this section shall not apply to any action or proceeding now pending in any of the courts of this state.

Subd. 3. [JUDGMENT TO BE RECORDED.] Upon recovery of possession by the landlord in the action a certified copy of the judgment shall be recorded in the office of the county recorder of the county where the land is situated if unregistered land or in the office of the registrar of titles of such county if registered land and upon recovery of possession by the landlord by abandonment or surrender by the tenant an affidavit by the landlord or the landlord's attorney setting forth such fact shall be recorded in a like manner and such recorded certified copy of such judgment or such recorded affidavit shall be prima facie evidence of the facts stated therein in reference to the recovery of possession by such landlord.

Sec. 3. Minnesota Statutes 1990, section 504.18, subdivision 1, is amended to read:

Subdivision 1. In every lease or license of residential premises, whether in writing or parol, the lessor or licensor covenants:

(a) That the premises and all common areas are fit for the use intended by the parties.

(b) To keep the premises in reasonable repair during the term of the lease or license, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the lessee or licensee or a person under the direction or control of the lessee or licensee.

(c) To maintain the premises in compliance with the applicable health and safety laws of the state, *including the weatherstripping, caulking, storm window, and storm door energy efficiency standards for renter-occupied residences prescribed by section 216C.27, subdivisions 1 and 3*, and of the local units of government where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the lessee or licensee or a person under the direction or control of the lessee or licensee.

The parties to a lease or license of residential premises may not waive or modify the covenants imposed by this section.

Sec. 4. Minnesota Statutes 1990, section 504.185, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] When a municipality, utility company, or other company supplying home heating oil, propane, natural gas, electricity, or water to a building has *issued a final notice or has posted the building proposing to disconnect or discontinued the service to the building because*

an owner who has contracted for the service has failed to pay for it or because an owner is required by law or contract to pay for the service and fails to do so, a tenant or group of tenants may pay to have the service continued or reconnected as provided under this section. Before paying for the service, the tenant or group of tenants shall give oral or written notice to the owner of the tenant's intention to pay after 48 hours, or a shorter period that is reasonable under the circumstances, if the owner has not already paid for the service. In the case of oral notification, written notice shall be mailed or delivered to the owner within 24 hours after oral notice is given.

(a) In the case of natural gas, electricity, or water, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may pay the outstanding bill for the most recent billing period, if the utility company or municipality will restore the service for at least one billing period.

(b) In the case of home heating oil or propane, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may order and pay for one month's supply of the proper grade and quality of oil or propane.

After submitting receipts for the payment to the owner, a tenant may deduct the amount of the tenant's payment from the rental payment next paid to the owner. Any amount paid to the municipality, utility company, or other company by a tenant under this subdivision is considered payment of rent to the owner for purposes of section 504.02.

Sec. 5. Minnesota Statutes 1990, section 504.20, subdivision 3, is amended to read:

Subd. 3. Every landlord shall, within three weeks after termination of the tenancy or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant; and after receipt of the tenant's mailing address or delivery instructions, return the 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. It shall be sufficient compliance with the time requirement of this subdivision if the deposit or written statement required by this subdivision is placed in the United States mail as first class mail, postage prepaid, in an envelope with a proper return address, correctly addressed according to the mailing address or delivery instructions furnished by the tenant, within the time required by this subdivision. The landlord may withhold from the deposit only amounts 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 the deposit, the burden of proving, by a fair preponderance of the evidence, the reason for withholding all or any portion of the deposit shall be on the landlord.

Sec. 6. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to provide a written statement within three weeks of termination of the tenancy *or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant*, and after receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, shall be liable to the tenant for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Sec. 7. Minnesota Statutes 1990, section 504.27, is amended to read:
504.27 [REMEDIES ARE ADDITIONAL.]

The remedies provided in sections 504.24 to 504.26 are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of sections 504.24 to 504.27 is waived by a tenant is contrary to public policy and void. The provisions of sections 504.24 to 504.27 shall apply only to tenants as that term is defined in section 566.18, subdivision 2, and buildings as that term is defined in section 566.18, subdivision 7. *The provisions of sections 504.24, 504.25, 504.255, and 504.26 apply to occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired.*

ARTICLE 2

UNLAWFUL DETAINER

Section 1. Minnesota Statutes 1990, section 566.03, subdivision 1, is amended to read:

Subdivision 1. *The person entitled to the premises may recover possession in the manner provided in this section when:*

(1) any person holds over lands or tenements after a sale thereof on an execution or judgment, or on foreclosure of a mortgage, and expiration of the time for redemption, or after termination of contract to convey the same, provided that if the person holding such lands or tenements after the ~~sale, foreclosure, expiration of the time for redemption~~ or termination is a tenant, the person has received:

(i) at least one month's written notice ~~of the termination of tenancy as a result of~~ *to vacate no sooner than one month after the sale, foreclosure, expiration of the time for redemption or termination, provided that the tenant pays the rent and abides by all terms of the lease; or when*

(ii) *at least one month's written notice to vacate no later than the date of the expiration of the time for redemption or termination, which notice shall also state that the sender will hold the tenant harmless for breaching the lease by vacating the premises if the mortgage is redeemed or the contract is reinstated;*

(2) any person holds over lands or tenements after termination of the time for which they are demised or let to that person or to the persons under whom that person holds possession, or contrary to the conditions or covenants of the lease or agreement under which that person holds, or after

MARCH 23, 1992

6626

JOURNAL OF THE SENATE

[82ND DAY

MOTIONS AND RESOLUTIONS

Mr. Pogemiller moved that his name be stricken as chief author and the name of Mr. Morse be added as chief author to S.F. No. 410. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Lessard be added as a co-author to S.F. No. 2193. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 2433. The motion prevailed.

Mr. Morse moved that the name of Mr. Mondale be added as a co-author to S.F. No. 2638. The motion prevailed.

Mr. Luther moved that the name of Mr. Merriam be added as a co-author to S.F. No. 2746. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.03 be suspended as to the Committee Report on S.F. No. 2145. The motion prevailed.

Mr. Moe, R.D. moved the adoption of the Committee Report on S.F. No. 2145. The motion prevailed. Report adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 720 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 720

A bill for an act relating to housing and economic development; modifying procedures relating to rent escrow actions; modifying procedures relating to the tenant's loss of essential services; modifying provisions relating to tenant remedy actions, retaliatory eviction proceedings, and receivership proceedings; modifying provisions relating to Minnesota housing finance agency low- and moderate-income housing programs; requiring counseling for reverse mortgage loans; modifying certain receivership, assignment of rents and profits, and landlord and tenant provisions; modifying provisions relating to housing and redevelopment authorities; providing for the issuance of general obligation bonds for housing by the cities of Minneapolis and St. Paul; authorizing the city of Minneapolis to make small business loans; authorizing certain economic development activities within the city of St. Paul; excluding housing districts from the calculation of local government aid reductions; modifying the interest rate reduction program; appropriating money; amending Minnesota Statutes 1990, sections 47.58, by adding a subdivision; 268.39; 273.1399, subdivision 1; 462A.03, subdivisions 10, 13, and 16; 462A.05, subdivision 20, and by adding a subdivision; 462A.08, subdivision 2; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 462C.03, subdivision 10; 469.002, subdivision

Endnote 3

24; 469.011, subdivision 4; 469.012, subdivisions 1 and 3; 469.015, subdivisions 3, 4, and by adding a subdivision; 469.176, subdivision 4f; 474A.048, subdivision 2; 481.02, subdivision 3; 504.02; 504.18, subdivision 1; 504.185, subdivision 2; 504.20, subdivisions 3, 4, 5, and 7; 504.27; 559.17, subdivision 2; 566.03, subdivision 1; 566.17, by adding a subdivision; 566.175, subdivision 6; 566.18, subdivision 9; 566.29, subdivisions 2 and 4; and 576.01, subdivision 2; Laws 1974, chapter 285, section 4, as amended; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1988, chapter 594, section 6; Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1990, section 462A.05, subdivisions 28 and 29.

March 11, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 720, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 720 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

LANDLORD AND TENANT

Section 1. Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

- (1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;
- (2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;
- (3) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;
- (4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;
- (5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;
- (6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not,

directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;

(7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested personally or in a representative capacity, except wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

(8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;

(9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed and by whom no compensation is, directly or indirectly, received for the services;

(10) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for the work;

(11) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(12) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal;

(13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to ~~566.33~~ 566.35 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided

that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause; or

(14) the delivery of legal services by a specialized legal assistant in accordance with a specialty license issued by the supreme court before July 1, 1995.

Sec. 2. Minnesota Statutes 1990, section 504.02, is amended to read:

504.02 [CANCELLATION OF LEASES IN CERTAIN CASES; ABANDONMENT OR SURRENDER OF POSSESSION.]

Subdivision 1. [ACTION TO RECOVER.] (a) In case of a lease of real property, when the landlord has a subsisting right of reentry for the failure of the tenant to pay rent the landlord may bring an action to recover possession of the property and such action is equivalent to a demand for the rent and a reentry upon the property; but if, at any time before possession has been delivered to the plaintiff on recovery in the action, the lessee or a successor in interest as to the whole or any part of the property pays to the plaintiff or brings into court the amount of the rent then in arrears, with interest and costs of the action, and an attorney's fee not exceeding \$5, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease.

(b) If the tenant has paid to the plaintiff or brought into court the amount of rent in arrears but is unable to pay the interest, costs of the action, and attorney fees required by this subdivision, the court may permit the defendant to pay these amounts into court and be restored to possession within the same period of time, if any, which the court stays the issuance of the writ of restitution pursuant to section 566.09.

(c) Prior to or after commencement of an action to recover possession for nonpayment of rent, the parties may agree only in writing that partial payment of rent in arrears which is accepted by the landlord prior to issuance of the order granting restitution of the premises pursuant to section 566.09 may be applied to the balance due and does not waive the landlord's action to recover possession of the premises for nonpayment of rent.

(d) Rental payments under this subdivision must first be applied to rent claimed as due in the complaint from prior rental periods before applying any payment toward rent claimed in the complaint for the current rental period, unless the court finds that under the circumstances the claim for rent from prior rental periods has been waived.

Subd. 2. [LEASE GREATER THAN 20 YEARS.] (a) If the lease under which the right of reentry is claimed is a lease for a term of more than 20 years, reentry cannot be made into the land or such action commenced by the landlord unless, after default, the landlord shall serve upon the tenant, also upon all creditors having a lien of record legal or equitable upon the leased premises or any part thereof, a written notice that the lease will be canceled and terminated unless the payment or payments in default shall be made and the covenants in default shall be performed within 30 days after the service of such notice, or within such greater period as the lessor shall specify in the notice, and if such default shall not be removed within the period specified within the notice, then the right of reentry shall be complete at the expiration of the period and may be exercised as provided by law. If any such lease shall provide that the landlord, after default, shall

give more than 30 days' notice in writing to the tenant of the landlord intention to terminate the tenancy by reason of default in terms thereof, then the length of the notice to terminate shall be the same as provided for and required by the lease.

(b) As to such leases for a term of more than 20 years, if at any time before the expiration of six months after possession obtained by the plaintiff by abandonment or surrender of possession by the tenant or on recovery in the action, the lessee or a successor in interest as to the whole or part of the property, or any creditor having a lien legal or equitable upon the leased premises or any part thereof, pays to the plaintiff, or brings into court, the amount of rent then in arrears, with interest and the costs of the action, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease. The provisions of this section shall not apply to any action or proceeding now pending in any of the courts of this state.

Subd. 3. [JUDGMENT TO BE RECORDED.] Upon recovery of possession by the landlord in the action a certified copy of the judgment shall be recorded in the office of the county recorder of the county where the land is situated if unregistered land or in the office of the registrar of titles of such county if registered land and upon recovery of possession by the landlord by abandonment or surrender by the tenant an affidavit by the landlord or the landlord's attorney setting forth such fact shall be recorded in a like manner and such recorded certified copy of such judgment or such recorded affidavit shall be prima facie evidence of the facts stated therein in reference to the recovery of possession by such landlord.

Sec. 3. Minnesota Statutes 1990, section 504.18, subdivision 1, is amended to read:

Subdivision 1. In every lease or license of residential premises, whether in writing or parol, the lessor or licensor covenants:

(a) That the premises and all common areas are fit for the use intended by the parties.

(b) To keep the premises in reasonable repair during the term of the lease or license, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the lessee or licensee or a person under the direction or control of the lessee or licensee.

(c) To maintain the premises in compliance with the applicable health and safety laws of the state, *including the weatherstripping, caulking, storm window, and storm door energy efficiency standards for renter-occupied residences prescribed by section 216C.27, subdivisions 1 and 3*, and of the local units of government where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the lessee or licensee or a person under the direction or control of the lessee or licensee.

The parties to a lease or license of residential premises may not waive or modify the covenants imposed by this section.

Sec. 4. Minnesota Statutes 1990, section 504.185, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] When a municipality, utility company, or other

company supplying home heating oil, propane, natural gas, electricity, or water to a building has *issued a final notice or has posted the building proposing to disconnect or discontinued the service to the building because an owner who has contracted for the service has failed to pay for it or because an owner is required by law or contract to pay for the service and fails to do so*, a tenant or group of tenants may pay to have the service *continued or reconnected as provided under this section*. Before paying for the service, the tenant or group of tenants shall give oral or written notice to the owner of the tenant's intention to pay after 48 hours, or a shorter period that is reasonable under the circumstances, if the owner has not already paid for the service. In the case of oral notification, written notice shall be mailed or delivered to the owner within 24 hours after oral notice is given.

(a) In the case of natural gas, electricity, or water, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may pay the outstanding bill for the most recent billing period, if the utility company or municipality will restore the service for at least one billing period.

(b) In the case of home heating oil or propane, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may order and pay for one month's supply of the proper grade and quality of oil or propane.

After submitting receipts for the payment to the owner, a tenant may deduct the amount of the tenant's payment from the rental payment next paid to the owner. Any amount paid to the municipality, utility company, or other company by a tenant under this subdivision is considered payment of rent to the owner for purposes of section 504.02.

Sec. 5. Minnesota Statutes 1990, section 504.20, subdivision 3, is amended to read:

Subd. 3. (a) Every landlord shall:

- (1) within three weeks after termination of the tenancy; or
- (2) *within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant,*

and *after* receipt of the tenant's mailing address or delivery instructions, return the 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.

(b) It shall be sufficient compliance with the time requirement of this subdivision if the deposit or written statement required by this subdivision is placed in the United States mail as first class mail, postage prepaid, in an envelope with a proper return address, correctly addressed according to the mailing address or delivery instructions furnished by the tenant, within the time required by this subdivision. The landlord may withhold from the deposit only amounts reasonably necessary:

- (a) (1) to remedy tenant defaults in the payment of rent or of other funds due to the landlord pursuant to an agreement; or

(b) (2) to restore the premises to their condition at the commencement of the tenancy, ordinary wear and tear excepted.

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

Sec. 6. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to:

(1) provide a written statement within three weeks of termination of the tenancy ~~and~~;

(2) *provide a written statement within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant, or*

(3) *transfer or return a deposit as required by subdivision 5,*

after receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, shall be liable to the tenant for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Sec. 7. Minnesota Statutes 1990, section 504.20, subdivision 5, is amended to read:

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 the landlord's agent shall, within a ~~reasonable time~~ *60 days of termination of the interest or when the successor in interest is required to return or otherwise account for the deposit to the tenant, whichever occurs first*, do one of the following acts, either of which shall relieve the landlord or agent 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.

Sec. 8. Minnesota Statutes 1990, section 504.20, subdivision 7, is amended to read:

Subd. 7. The bad faith retention by a landlord of ~~the a~~ deposit, the interest thereon, or any portion thereof, in violation of this section shall subject the landlord to punitive damages not to exceed \$200 *for each deposit* in addition to the damages provided in subdivision 4. If the landlord has failed to comply with the provisions of subdivision 3 *or 5*, retention of ~~the a~~ deposit shall be presumed to be in bad faith unless the landlord returns the deposit within two weeks after the commencement of any action for the recovery of the deposit.

Sec. 9. Minnesota Statutes 1990, section 504.27, is amended to read:
504.27 [REMEDIES ARE ADDITIONAL.]

The remedies provided in sections 504.24 to 504.26 are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of sections 504.24 to 504.27 is waived by a tenant is contrary to public policy and void. The provisions of sections 504.24 to 504.27 shall apply only to tenants as that term is defined in section 566.18, subdivision 2, and buildings as that term is defined in section 566.18, subdivision 7. *The provisions of sections 504.24, 504.25, 504.255, and 504.26 apply to occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired.*

Sec. 10. Minnesota Statutes 1990, section 566.03, subdivision 1, is amended to read:

Subdivision 1. *The person entitled to the premises may recover possession in the manner provided in this section when:*

(1) any person holds over lands or tenements after a sale thereof on an execution or judgment, or on foreclosure of a mortgage, and expiration of the time for redemption, or after termination of contract to convey the same, provided that if the person holding such lands or tenements after the ~~sale, foreclosure,~~ expiration of the time for redemption or termination is a tenant, the person has received:

(i) at least one month's written notice ~~of the termination of tenancy as a result of to vacate no sooner than one month after the sale, foreclosure,~~ expiration of the time for redemption or termination, *provided that the tenant pays the rent and abides by all terms of the lease; or when*

(ii) *at least one month's written notice to vacate no later than the date of the expiration of the time for redemption or termination, which notice shall also state that the sender will hold the tenant harmless for breaching the lease by vacating the premises if the mortgage is redeemed or the contract is reinstated;*

(2) any person holds over lands or tenements after termination of the time for which they are demised or let to that person or to the persons under whom that person holds possession, or contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; ~~or when~~

(3) any tenant at will holds over after the determination of ~~any such the~~ estate by notice to quit; ~~in all such cases the person entitled to the premises may recover possession thereof in the manner hereinafter provided.~~

Sec. 11. Minnesota Statutes 1990, section 566.17, is amended by adding a subdivision to read:

Subd. 2a. In the second and fourth judicial districts, the housing calendar consolidation project shall retain jurisdiction in matters relating to removal of property under this section. If the plaintiff refuses to return the property after proper demand is made as provided in section 504.24, the court shall enter an order requiring the plaintiff to return the property to the defendant

and awarding reasonable expenses including attorney fees to the defendant.

Sec. 12. Minnesota Statutes 1990, section 566.175, subdivision 6, is amended to read:

Subd. 6. ~~The provisions of This section shall apply only~~ applies to:

(1) tenants as ~~that term is~~ defined in section 566.18, subdivision 2, and including occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired;

(2) buildings as that term is defined in section 566.18, subdivision 7; and

(3) landlords as the term "owner" is defined in section 566.18, subdivision 3, but also including mortgagees and contract for deed vendors.

Sec. 13. Minnesota Statutes 1990, section 566.18, subdivision 9, is amended to read:

Subd. 9. [NEIGHBORHOOD ORGANIZATION.] "Neighborhood organization" means a nonprofit corporation incorporated under chapter 317A that satisfies clauses (1) and (2).

The corporation shall:

(1) designate in its articles of incorporation or bylaws a specific geographic community to which its activities are limited; and

(2) be formed for the purposes of promoting community safety, crime prevention, and housing quality in a nondiscriminatory manner.

For purposes of this chapter, an action taken by a neighborhood organization with the written permission of a tenant means, with respect to a building with multiple dwelling units, an action taken by the neighborhood organization with the written permission of the tenants of a majority of the occupied units.

Sec. 14. Minnesota Statutes 1990, section 566.29, subdivision 2, is amended to read:

Subd. 2. Such person or neighborhood organization shall post bond to the extent of the rents expected by the court to be necessary to be collected to correct the violation or violations. Administrators appointed from the governmental agencies shall not be required to give bond.

Sec. 15. Minnesota Statutes 1990, section 566.29, subdivision 4, is amended to read:

Subd. 4. [POWERS.] The administrator is authorized to:

(a) Collect rents from tenants and commercial tenants, evict tenants and commercial tenants for nonpayment of rent or other cause, enter into leases for vacant dwelling units, rent vacant commercial units with the consent of the owner and exercise all other powers necessary and appropriate to carry out the purposes of Laws 1973, chapter 611;

(b) Contract for the reasonable cost of materials, labor and services necessary to remedy the violation or violations found by the court to exist and for the rehabilitation of the property in order to maintain safe and

habitable conditions over the useful life of the property, and make disbursements for payment therefor from funds available for the purpose;

(c) Provide any services to the tenants which the owner is obligated to provide but refuses or fails to provide, and pay for them from funds available for the purpose;

(d) Petition the court, after notice to the parties, for an order allowing the administrator to encumber the ~~premise~~ premises to secure funds to the extent necessary to cover the cost of materials, labor, and services, including reasonable fees for the administrator's services, necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and to pay for them from funds derived from the encumbrance; and

(e) Petition the court, after notice to the parties, for an order allowing the administrator to receive funds made available for this purpose by the federal or state governing body or the municipality to the extent necessary to cover the cost of materials, labor, and services necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and pay for them from funds derived from the ~~municipal sources~~ this source. The municipality shall recover disbursements by special assessment on the real estate affected, bearing interest at the rate determined by the municipality, not exceeding the rate established for finance charges for open-end credit sales under section 334.16, subdivision 1, clause (b), with the assessment, interest and any penalties to be collected the same as special assessments made for other purposes under state statute or municipal charter.

Sec. 16. [609.606] [UNLAWFUL OUSTER OR EXCLUSION.]

A landlord, agent of the landlord, or person acting under the landlord's direction or control who unlawfully and intentionally removes or excludes a tenant from lands or tenements or intentionally interrupts or causes the interruption of electrical, heat, gas, or water services to the tenant with intent to unlawfully remove or exclude the tenant from lands or tenements is guilty of a misdemeanor.

ARTICLE 2

ASSIGNMENT OF RENTS AND RECEIVERSHIP

Section 1. Minnesota Statutes 1990, section 559.17, subdivision 2, is amended to read:

Subd. 2. A mortgagor may assign, as additional security for the debt secured by the mortgage, the rents and profits from the mortgaged real property, if the mortgage:

- (1) Was executed, modified or amended subsequent to August 1, 1977;
- (2) Secured an original principal amount of ~~\$500,000~~ \$100,000 or more or is a lien upon residential real estate containing more than four dwelling units; and
- (3) Is not a lien upon property which was entirely homesteaded as, residential real estate containing four or less dwelling units where at least one of the units is homesteaded, or agricultural property. The assignment may be enforced as follows:

MAY 14, 1991

5552

JOURNAL OF THE HOUSE

[53rd Day

ties; creating an advisory task force; requiring a report; appropriating money.

Reported the same back with the following amendments:

Page 1, line 16, delete "shall" and insert "may contract with state or private entities to"

Page 2, delete section 2

Amend the title as follows:

Page 1, line 2, delete "requiring" and insert "permitting"

Page 1, line 6, delete "; appropriating money"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1002, A bill for an act relating to housing; authorizing the Minnesota housing finance agency to establish a shallow rent subsidy program, a lease-purchase housing program and providing for a blighted property acquisition program, and a housing capital reserve program; changing eligibility requirements and allocation formulas for the community resource program; appropriating money; amending Minnesota Statutes 1990, sections 462A.05, by adding a subdivision; 466A.01, subdivision 2; 466A.02, subdivision 2; and 466A.05, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

LANDLORD AND TENANT

Section 1. Minnesota Statutes 1990, section 481.02, subdivision 3, is amended to read:

Endnote 4

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

- (1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;
- (2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;
- (3) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;
- (4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;
- (5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;
- (6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not, directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;
- (7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested personally or in a representative capacity, except wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;
- (8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;
- (9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed

and by whom no compensation is, directly or indirectly, received for the services;

(10) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for the work;

(11) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(12) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal; and

(13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to ~~566.33~~ 566.35 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause.

Sec. 2. Minnesota Statutes 1990, section 504.02, is amended to read:

504.02 [CANCELLATION OF LEASES IN CERTAIN CASES;
ABANDONMENT OR SURRENDER OF POSSESSION.]

Subdivision 1. [ACTION TO RECOVER.] (a) In case of a lease of

real property, when the landlord has a subsisting right of reentry for the failure of the tenant to pay rent the landlord may bring an action to recover possession of the property and such action is equivalent to a demand for the rent and a reentry upon the property; but if, at any time before possession has been delivered to the plaintiff on recovery in the action, the lessee or a successor in interest as to the whole or any part of the property pays to the plaintiff or brings into court the amount of the rent then in arrears, with interest and costs of the action, and an attorney's fee not exceeding \$5, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease.

(b) If the tenant has paid to the plaintiff or brought into court the amount of rent in arrears but is unable to pay the interest, costs of the action, and attorney's fee required by this subdivision, the court may permit the defendant to pay these amounts into court and be restored to possession within the same period of time, if any, which the court stays the issuance of the writ of restitution pursuant to section 566.09.

(c) Prior to or after commencement of an action to recover possession for nonpayment of rent, the parties may agree only in writing that partial payment of rent in arrears which is accepted by the landlord prior to issuance of the order granting restitution of the premises pursuant to section 566.09 may be applied to the balance due and does not waive the landlord's action to recover possession of the premises for nonpayment of rent.

(d) Rental payments under this subdivision must first be applied to rent claimed as due in the complaint from prior rental periods before applying any payment toward rent claimed in the complaint for the current rental period unless the court finds that under the circumstances the claim for rent from prior rental periods has been waived.

Subd. 2. [LEASE GREATER THAN 20 YEARS.] (a) If the lease under which the right of reentry is claimed is a lease for a term of more than 20 years, reentry cannot be made into the land or such action commenced by the landlord unless, after default, the landlord shall serve upon the tenant, also upon all creditors having a lien of record legal or equitable upon the leased premises or any part thereof, a written notice that the lease will be canceled and terminated unless the payment or payments in default shall be made and the covenants in default shall be performed within 30 days after the service of such notice, or within such greater period as the lessor shall specify in the notice, and if such default shall not be removed within the period specified within the notice, then the right of reentry shall be complete at the expiration of the period and may be exercised as provided by law. If any such lease shall provide that the landlord, after default, shall give more than 30 days' notice in

writing to the tenant of the landlord intention to terminate the tenancy by reason of default in terms thereof, then the length of the notice to terminate shall be the same as provided for and required by the lease.

(b) As to such leases for a term of more than 20 years, if at any time before the expiration of six months after possession obtained by the plaintiff by abandonment or surrender of possession by the tenant or on recovery in the action, the lessee or a successor in interest as to the whole or part of the property, or any creditor having a lien legal or equitable upon the leased premises or any part thereof, pays to the plaintiff, or brings into court, the amount of rent then in arrears, with interest and the costs of the action, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease. The provisions of this section shall not apply to any action or proceeding now pending in any of the courts of this state.

Subd. 3. [JUDGMENT TO BE RECORDED.] Upon recovery of possession by the landlord in the action a certified copy of the judgment shall be recorded in the office of the county recorder of the county where the land is situated if unregistered land or in the office of the registrar of titles of such county if registered land and upon recovery of possession by the landlord by abandonment or surrender by the tenant an affidavit by the landlord or the landlord's attorney setting forth such fact shall be recorded in a like manner and such recorded certified copy of such judgment or such recorded affidavit shall be prima facie evidence of the facts stated therein in reference to the recovery of possession by such landlord.

Sec. 3. Minnesota Statutes 1990, section 504.185, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] When a municipality, utility company, or other company supplying home heating oil, propane, natural gas, electricity, or water to a building has issued a final notice or has posted the building proposing to disconnect or discontinued the service to the building because an owner who has contracted for the service has failed to pay for it or because an owner is required by law or contract to pay for the service and fails to do so, a tenant or group of tenants may pay to have the service continued or reconnected as provided under this section. Before paying for the service, the tenant or group of tenants shall give oral or written notice to the owner of the tenant's intention to pay after 48 hours, or a shorter period that is reasonable under the circumstances, if the owner has not already paid for the service. In the case of oral notification, written notice shall be mailed or delivered to the owner within 24 hours after oral notice is given.

(a) In the case of natural gas, electricity, or water, if the owner has

not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may pay the outstanding bill for the most recent billing period, if the utility company or municipality will restore the service for at least one billing period.

(b) In the case of home heating oil or propane, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may order and pay for one month's supply of the proper grade and quality of oil or propane.

After submitting receipts for the payment to the owner, a tenant may deduct the amount of the tenant's payment from the rental payment next paid to the owner. Any amount paid to the municipality, utility company, or other company by a tenant under this subdivision is considered payment of rent to the owner for purposes of section 504.02.

Sec. 4. Minnesota Statutes 1990, section 504.20, subdivision 3, is amended to read:

Subd. 3. Every landlord shall, within three weeks after termination of the tenancy or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant, and receipt of the tenant's mailing address or delivery instructions, return the 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. It shall be sufficient compliance with the time requirement of this subdivision if the deposit or written statement required by this subdivision is placed in the United States mail as first class mail, postage prepaid, in an envelope with a proper return address, correctly addressed according to the mailing address or delivery instructions furnished by the tenant, within the time required by this subdivision. The landlord may withhold from the deposit only amounts 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 the deposit, the burden of proving, by a fair preponderance of the evidence, the reason for withholding all or any portion of the deposit shall be on the landlord.

Sec. 5. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to provide a written statement within three weeks of termination of the tenancy or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant, and receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, shall be liable to the tenant for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Sec. 6. [504.246] [TORT LIABILITY.]

A landlord is liable for damages for personal injury caused to a tenant, or others on the premises with the consent of the tenant, or a subtenant by a condition existing before or after the tenant took possession of the premises, which is a breach of an express covenant to repair or maintain the leased premises or is a breach of the covenants specified in section 504.18, subdivision 1, if:

- (1) the condition created an unreasonable risk on the premises which performance of the landlord's covenants would have prevented;
- (2) the landlord knew of the condition; and
- (3) the landlord failed to perform the covenants.

The provisions of this section do not limit any rights or remedies a tenant otherwise has under another statute or in contract or tort at common law.

Sec. 7. Minnesota Statutes 1990, section 504.27, is amended to read:

504.27 [REMEDIES ARE ADDITIONAL.]

The remedies provided in sections 504.24 to 504.26 are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of sections 504.24 to 504.27 is waived by a tenant is contrary to public policy and void. The provisions of sections 504.24 to 504.27 shall apply only to tenants as that term is defined in section 566.18, subdivision 2, and buildings as that term is defined in section 566.18, subdivision 7. The provisions of sections 504.24, 504.25, 504.255, and 504.26 apply to

occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired.

ARTICLE 2
UNLAWFUL DETAINER

Section 1. Minnesota Statutes 1990, section 566.03, subdivision 1, is amended to read:

Subdivision 1. The person entitled to the premises may recover possession in the manner provided in this section when:

(1) any person holds over lands or tenements after a sale thereof on an execution or judgment, or on foreclosure of a mortgage, and expiration of the time for redemption, or after termination of contract to convey the same, provided that if the person holding such lands or tenements after the sale, foreclosure expiration of the time for redemption, or termination is a tenant, the person has received:

(i) at least one month's written notice of the termination of tenancy as a result of to vacate no sooner than one month after the sale, foreclosure expiration of the time for redemption, or termination; or when

(ii) at least one month's written notice to vacate no later than the date of the sale, expiration of the time for redemption, or termination which notice shall also state that the sender will hold the tenant harmless from any damages caused to the tenant if no sale occurs, the mortgage is redeemed, or the contract is reinstated;

(2) any person holds over lands or tenements after termination of the time for which they are demised or let to that person or to the persons under whom that person holds possession, or contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; or when

(3) any tenant at will holds over after the determination of any such the estate by notice to quit; in all such cases the person entitled to the premises may recover possession thereof in the manner hereinafter provided.

Sec. 2. Minnesota Statutes 1990, section 566.17, is amended by adding a subdivision to read:

Subd. 2a. In the second and fourth judicial districts, the housing calendar consolidation project shall retain jurisdiction in matters

HOUSING COMMITTEE

MINUTES

Representative Karen Clark, Chairman of the Housing Committee called the Eleventh Meeting to order at 12:35 p.m. on March 25, 1991, in Room 5 of the State Office Building, St. Paul, Minnesota.

Members Present:

Clark, Chair	Mariani
Dawkins	McGuire
Anderson	Morrison
Bodahl	O'Connor
Dauner	Runbeck
Dauids	Schreiber
Heir	Segal
Hufnagle	Thompson
Jefferson	Valento
Jennings	Wejcman

A quorum was present.

Representative Dawkins took over as chair.

Representative Clark introduced HF 714, a bill relating to housing. Omnibus housing bill; mortgage and rental assistance pilot project established. Landlord and tenant provisions modified.

Speaking on behalf of HF 714 (sections 1, 2,3,4,5,6) was:

Paul Onkka of Legal Services Advocacy Project

Representative Clark moved to amend HF 714 with amendment H714A24 - Att. 1. **THE MOTION PREVAILED.**

Representative Jefferson moved to amend HF 714 with amendment H714A6, as follows:

Page 1, Line 6, after word "parties" strike word "and" and insert word "to".

THE MOTION PREVAILED.

Representative Jefferson requested amendment be withdrawn.

Acting Chairman Dawkins moved to amend HF 714 as follows: See Attachment 2 - H8714A19.

Speaking on behalf of the Dawkins amendment was:

Paul Birnberg, a law student of 3439 Eleventh Street, Minneapolis, MN 55407.

Minutes - 11th
March 25, 1991 - Page 2

The motion recurred for the adoption of the Dawkins amendment.
THE MOTION PREVAILED.

Representative Mariani moved to amend HF 714 with amendment as follows: HF714A9-1-Attachment 3.

Speaking against the amendment was Jim Sorbel, MN Multi Housing Association.

A division was called. By a show of hands, there being 8 ayes and 5 nays, the **MOTION PREVAILED.**

Representative Morrison moved to amend HF 714 as follows: See HF 714A30 - Attachment 4.

Explaining the Morrison amendment was Paul Onkka, Legal Services Advocates Project.

The motion recurred for the adoption of the Morrison amendment. The **MOTION PREVAILED.**

Mark Brunner explained sections 2 and 3 of HF 714.

Sharon Scanella Andersen, homeowner and community activist explained HF 714, article II

Acting Chairman Dawkins announced that the Subcommittee on Community Revitalization would meet in Room 500N at 6 p.m.

Hearing adjourned at 2:20 p.m.


KAREN CLARK - Chair


Mabel Canty - Clerk

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND HOUSING

Monday, March 25, 1991
12:00-2:00 p.m.
Room 107 Capitol

All senators were present with the exception of Senator Bernhagen.

S.F. 951 - Housing omnibus bill (Senator Pogemiller) was the first bill on the agenda. Senator Pogemiller called it the housing omnibus bill and said it was a follow-up on omnibus housing bills from past years.

Senator Janet Johnson moved the delete everything amendment, SCS0951A-5. The motion prevailed. Senator Pogemiller then moved through this amendment with the assistance of the bill summary.

Ms. Johnson moved to amend the delete everything amendment as follows:

Page 16, line 16, delete everything after the period

Page 16, delete line 17

The motion prevailed.

In the discussion of Article III, Senator Kroening said he hoped Senator Pogemiller would consider the equity issue. Senator Pogemiller said he would work on a language change.

Mr. Sams moved to amend the delete everything amendment as follows:

Page 16, delete lines 25 to 29.

Amendment SCS0951A-2 was discussed. Kit Hadley from the Housing Finance Agency addressed the provisions covered by page 2, lines 4-11. Gene Martinez, representing ARC Minnesota, addressed the provision covered by page 2, lines 12-16 dealing with brain injury. Harold Turner, Legal Services, explained the need for amendment A-2, the new section 3.

Senator Kroening had additional questions regarding the 50% provision, page 18, line 18. Senator Metzen questioned where the money comes from. Kit Hadley replied it is from federal low income tax credits and these must be used or they are lost.

Endnote 6

March 25, 1991
Page 2

Senator Johnson needed a clarification regarding the "brain injury" part of the amendment. Has there been an increase in this group? David Schultz from the Department of Human Services testified that this is true.

Mr. Kroening moved amendment SCS0951A-2. Mr. Kelly moved to amend this amendment as follows:

Page 2, delete lines 17 and 18

The motion prevailed. Senator Kroening renewed his motion and the vote prevailed.

Ms. Traub moved the following amendment:

Page 28, line 4 after "domain" insert "and is currently vacant" The motion prevailed.

The discussion continued. Amendment SCS0951A-6 was distributed. John Winker, Minneapolis Housing Agency, answered questions from the committee. It was suggested that we may want to do this just for rehabilitation. The committee decided to come to this provision.

Ms. Johnson moved to amend the delete everything amendment as follows:

Page 32, line 34, after "loan" insert "for a rental housing project"

The motion prevailed.

Amendment SCS0951A-6 was brought up again. Mr. Kelly moved to amend the amendment as follows:

Page 2, line 7, delete everything after "housing" and insert "for persons or families with adjusted gross income of up to 175 percent of the median family income as estimated by the United States Department of Housing and Urban Development for the nonmetropolitan county or standard metropolitan statistical area, as the case may be."

Page 2, delete line 8

The motion prevailed.

Senator Kelly said he wanted language put in that would require more involvement for neighborhoods.

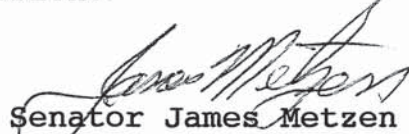
March 25, 1991
Page 3

Mr. Kelly moved amendment SCS0951A-5 with the exception of Page 2, lines 15-17, and renumber the subdivisions.

With the lateness of the hour, Chairman Metzen said the committee would lay S.F. 951 over for further discussion.



Ardy Vos Peterson
Committee Secretary



Senator James Metzen
Chairman

Senate Counsel & Research

G-17 STATE CAPITOL
ST. PAUL, MN 55155
(612) 296-4791
FAX (612) 296-7747

DANIEL A. SALOMONE, DIRECTOR

Senate
State of Minnesota

COUNSEL

PETER S. WATTSON
JO ANNE ZOFF SELLNER
JOHN C. FULLER
DANIEL P. MC GOWAN
KATHLEEN E. PONTIUS
ALLISON WOLF
ELIZABETH V. RICE
BEVERLY CADOTTE OWEN
MICHAEL SCANDRETT
GEORGE M. MC CORMICK
HANS I. E. BJORNSON
MARTHA N. O'TOOLE

TO: Economic Development and Housing Committee
FROM: Chris Turner, Senate Research (296-4350) CT
DATE: March 21, 1991
RE: Bill Summary of Delete-Everything Amendment to
S.F. No. 951, Relating to Housing

LEGISLATIVE
ANALYSTS

WILLIAM RIEMERMAN
DAVID GIEL
MARK L. FERMANICH
GREGORY C. KNOPFF
PATRICK J. MC CORMACK
MARK R. MISUKANIS
JACK PAULSON
LYNN E. REED
JILL M. SCHULTZ
SEAN STEVENSON
CHRIS L. TURNER
MAJA WEIDMANN

Article I
Landlord and Tenant

Section 1: Amends the practice of law statute to permit persons not licensed to practice law to appear in rent escrow actions.

Section 2: Amends section 504.02 by authorizing the court in unlawful detainer to order a refund of the filing fee to the landlord when the tenant redeems if the tenant meets financial eligibility criteria and can show inability to pay the rent before the unlawful detainer was commenced for reasons beyond the tenant's control.

Section 3: Permits tenants, or their representative, to pay for continued utility service after the responsible owner or landlord has been issued notice of service termination.

Sections 4 and 5: Shortens to five days the time in which the landlord must return a damage deposit if the building is condemned.

Section 6: Extends the protection of the lockout and illegal utility shutoff statutes to mortgagors and contract for deed vendees whose redemption periods have ended.

Endnote 7

1 *M.J. Johnson* moves to amend S.F. No. 951 as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. Minnesota Statutes 1990, section 481.02,
4 subdivision 3, is amended to read:

5 Subd. 3. [PERMITTED ACTIONS.] The provisions of this
6 section shall not prohibit:

7 (1) any person from drawing, without charge, any document
8 to which the person, an employer of the person, a firm of which
9 the person is a member, or a corporation whose officer or
10 employee the person is, is a party, except another's will or
11 testamentary disposition or instrument of trust serving purposes
12 similar to those of a will;

13 (2) a person from drawing a will for another in an
14 emergency if the imminence of death leaves insufficient time to
15 have it drawn and its execution supervised by a licensed
16 attorney-at-law;

17 (3) any insurance company from causing to be defended, or
18 from offering to cause to be defended through lawyers of its

Endnote 8

1 Subd. 3. Every landlord shall, within three weeks after
2 termination of the tenancy or within five days of the date when
3 the tenant leaves the building or dwelling due to the legal
4 condemnation of the building or dwelling in which the tenant
5 lives for reasons not due to willful, malicious, or
6 irresponsible conduct of the tenant, and receipt of the tenant's
7 mailing address or delivery instructions, return the deposit to
8 the tenant, with interest thereon as above provided, or furnish
9 to the tenant a written statement showing the specific reason
10 for the withholding of the deposit or any portion thereof. It
11 shall be sufficient compliance with the time requirement of this
12 subdivision if the deposit or written statement required by this
13 subdivision is placed in the United States mail as first class
14 mail, postage prepaid, in an envelope with a proper return
15 address, correctly addressed according to the mailing address or
16 delivery instructions furnished by the tenant, within the time
17 required by this subdivision. The landlord may withhold from
18 the deposit only amounts reasonably necessary:

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

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

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

27 Sec. 5. Minnesota Statutes 1990, section 504.20,
28 subdivision 4, is amended to read:

29 Subd. 4. Any landlord who fails to provide a written
30 statement within three weeks of termination of the tenancy or

1 the tenant for damages in an amount equal to the portion of the
2 deposit withheld by the landlord and interest thereon as
3 provided in subdivision 2, as a penalty, in addition to the
4 portion of the deposit wrongfully withheld by the landlord and
5 interest thereon.

6 Sec. 6. Minnesota Statutes 1990, section 504.27, is
7 amended to read:

8 504.27 [REMEDIES ARE ADDITIONAL.]

9 The remedies provided in sections 504.24 to 504.26 are in
10 addition to and shall not limit other rights or remedies
11 available to landlords and tenants. Any provision, whether oral
12 or written, of any lease or other agreement, whereby any
13 provision of sections 504.24 to 504.27 is waived by a tenant is
14 contrary to public policy and void. The provisions of sections
15 504.24 to 504.27 shall apply only to tenants as that term is
16 defined in section 566.18, subdivision 2, and buildings as that
17 term is defined in section 566.18, subdivision 7. The
18 provisions of sections 504.24, 504.25, 504.255, and 504.26 apply
19 to occupants and owners of residential real property which is
20 the subject of a mortgage foreclosure or contract for deed
21 cancellation and as to which the period for redemption or
22 reinstatement of the contract has expired.

23 ARTICLE 2

24 UNLAWFUL DETAINER

25 Section 1. Minnesota Statutes 1990, section 566.03,
26 subdivision 1, is amended to read:

27 Subdivision 1. The person entitled to the premises may
28 recover possession in the manner provided in this section when:

29 (1) any person holds over lands or tenements after a sale
30 thereof on an execution or judgment, or on foreclosure of a

1 Mr. Metzen from the Committee on Economic Development and
2 Housing, to which was referred

3 S.F. No. 951: A bill for an act relating to housing;
4 modifying procedures relating to rent escrow actions; modifying
5 procedures relating to the tenant's loss of essential services;
6 modifying provisions relating to tenant remedy actions,
7 retaliatory eviction proceedings, and receivership proceedings;
8 modifying provisions relating to Minnesota housing finance
9 agency low- and moderate-income housing programs; providing for
10 an emergency mortgage and rental assistance pilot project;
11 modifying certain receivership, assignment of rents and profits,
12 and landlord and tenant provisions; modifying provisions
13 relating to housing and redevelopment authorities; providing for
14 the issuance of general obligation bonds for housing by the
15 cities of Minneapolis and St. Paul; authorizing the city of
16 Minneapolis to make small business loans; modifying the property
17 tax classification of certain residential real estate; excluding
18 housing districts from the calculation of local government aid
19 reductions; modifying the interest rate reduction program;
20 changing the definition of mentally ill person; consolidating
21 special needs housing programs; clarifying and amending biennial
22 reporting requirement; authorizing new construction of
23 accessible housing; authorizing off-reservation home improvement
24 program; appropriating money; amending Minnesota Statutes 1990,
25 sections 268.39; 273.124, subdivisions 1 and 11; 273.13,
26 subdivision 25; 273.1399, subdivision 1; 462A.03, subdivisions
27 10 and 16; 462A.05, subdivision 20, and by adding a subdivision;
28 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9;
29 462A.222, subdivision 3; 462C.03, subdivision 10; 469.011,
30 subdivision 4; 469.012, subdivision 1; 469.015, subdivisions 3,
31 4, and by adding a subdivision; 469.176, subdivision 4f;
32 474A.048, subdivision 2; 481.02, subdivision 3; 504.02; 504.185,
33 subdivision 2; 504.20, subdivisions 3, 4, 5, and 7; 504.27;
34 559.17, subdivision 2; 566.03, subdivision 1; 566.17,
35 subdivisions 1, 2, and by adding a subdivision; 566.175,
36 subdivision 6; 566.18, subdivision 9; 566.29, subdivisions 2 and
37 4; and 576.01, subdivision 2; Laws 1974, chapter 285, section 4,
38 as amended; Laws 1987, chapter 404, section 28, subdivision 1;
39 Laws 1988, chapter 594, section 6; Laws 1989, chapter 335,
40 article 1, section 27, subdivision 1, as amended; proposing
41 coding for new law in Minnesota Statutes, chapters 268 and 609;
42 repealing Minnesota Statutes 1990, section 462A.05, subdivisions
43 28 and 29.

44 Reports the same back with the recommendation that the bill
45 be amended as follows:

46 Delete everything after the enacting clause and insert:

47 "ARTICLE 1

48 LANDLORD AND TENANT

49 Section 1. Minnesota Statutes 1990, section 481.02,
50 subdivision 3, is amended to read:

51 Subd. 3. [PERMITTED ACTIONS.] The provisions of this

1 subdivision 3, is amended to read:

2 Subd. 3. Every landlord shall, within three weeks after
3 termination of the tenancy or within five days of the date when
4 the tenant leaves the building or dwelling due to the legal
5 condemnation of the building or dwelling in which the tenant
6 lives for reasons not due to willful, malicious, or
7 irresponsible conduct of the tenant, and after receipt of the
8 tenant's mailing address or delivery instructions, return the
9 deposit to the tenant, with interest thereon as above provided,
10 or furnish to the tenant a written statement showing the
11 specific reason for the withholding of the deposit or any
12 portion thereof. It shall be sufficient compliance with the
13 time requirement of this subdivision if the deposit or written
14 statement required by this subdivision is placed in the United
15 States mail as first class mail, postage prepaid, in an envelope
16 with a proper return address, correctly addressed according to
17 the mailing address or delivery instructions furnished by the
18 tenant, within the time required by this subdivision. The
19 landlord may withhold from the deposit only amounts reasonably
20 necessary:

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

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

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

29 Sec. 6. Minnesota Statutes 1990, section 504.20,
30 subdivision 4, is amended to read:

1 after receipt of the tenant's mailing address or delivery
2 instructions, as required in subdivision 3, shall be liable to
3 the tenant for damages in an amount equal to the portion of the
4 deposit withheld by the landlord and interest thereon as
5 provided in subdivision 2, as a penalty, in addition to the
6 portion of the deposit wrongfully withheld by the landlord and
7 interest thereon.

8 Sec. 7. Minnesota Statutes 1990, section 504.27, is
9 amended to read:

10 504.27 [REMEDIES ARE ADDITIONAL.]

11 The remedies provided in sections 504.24 to 504.26 are in
12 addition to and shall not limit other rights or remedies
13 available to landlords and tenants. Any provision, whether oral
14 or written, of any lease or other agreement, whereby any
15 provision of sections 504.24 to 504.27 is waived by a tenant is
16 contrary to public policy and void. The provisions of sections
17 504.24 to 504.27 shall apply only to tenants as that term is
18 defined in section 566.18, subdivision 2, and buildings as that
19 term is defined in section 566.18, subdivision 7. The
20 provisions of sections 504.24, 504.25, 504.255, and 504.26 apply
21 to occupants and owners of residential real property which is
22 the subject of a mortgage foreclosure or contract for deed
23 cancellation and as to which the period for redemption or
24 reinstatement of the contract has expired.

25 ARTICLE 2

26 UNLAWFUL DETAINER

27 Section 1. Minnesota Statutes 1990, section 566.03,
28 subdivision 1, is amended to read:

29 Subdivision 1. The person entitled to the premises may
30 recover possession in the manner provided in this section when:

1 receivership proceedings; modifying provisions relating to
 2 Minnesota housing finance agency low- and moderate-income
 3 housing programs; providing for an emergency mortgage and rental
 4 assistance pilot project; requiring counseling for reverse
 5 mortgage loans; modifying certain receivership, assignment of
 6 rents and profits, and landlord and tenant provisions; modifying
 7 provisions relating to housing and redevelopment authorities;
 8 providing for the issuance of general obligation bonds for
 9 housing by the cities of Minneapolis and St. Paul; authorizing
 10 the city of Minneapolis to make small business loans;
 11 authorizing certain economic development activities within the
 12 city of St. Paul; modifying the property tax classification of
 13 certain residential real estate; excluding housing districts
 14 from the calculation of local government aid reductions;
 15 modifying the interest rate reduction program; appropriating
 16 money; amending Minnesota Statutes 1990, sections 47.58, by
 17 adding a subdivision; 273.124, subdivisions 1 and 11; 273.13,
 18 subdivision 25; 273.1399, subdivision 1; 462A.03, subdivisions
 19 10 and 13; 462A.05, by adding a subdivision; 462A.222,
 20 subdivision 3; 462C.03, subdivision 10; 469.011, subdivision 4;
 21 469.012, subdivision 1; 469.015, subdivisions 3, 4, and by
 22 adding a subdivision; 469.176, subdivision 4f; 481.02,
 23 subdivision 3; 504.02; 504.18, subdivision 1; 504.185,
 24 subdivision 2; 504.20, subdivisions 3, 4, 5, and 7; 504.27;
 25 559.17, subdivision 2; 566.03, subdivision 1; 566.17,
 26 subdivisions 1, 2, and by adding a subdivision; 566.175,
 27 subdivision 6; 566.18, subdivision 9; 566.29, subdivisions 2 and
 28 4; and 576.01, subdivision 2; Laws 1974, chapter 285, section 4,
 29 as amended; Laws 1988, chapter 594, section 6; proposing coding
 30 for new law in Minnesota Statutes, chapters 268 and 609."

31 And when so amended the bill do pass and be re-referred to
 32 the Committee on Judiciary. Amendments adopted. Report adopted.

33

34

35

36

37

38

James Metzger

 (Committee Chair)

April 3, 1991.....
 (Date of Committee recommendation)

SENATE ECONOMIC DEVELOPMENT AND HOUSING COMMITTEE

Wednesday, April 3, 1991
12:00-2:00 p.m.
Room 107 Capitol

All senators were present with the exception of Senator Janet Johnson.

S.F. 951 - the omnibus housing bill of Senator Pogemiller's which had been laid over, was again taken up.

Mr. Kroening moved to amend S.F. 951 the delete everything amendment, SCS0951A-1. See attached KN130. Doug Davis representing the Senior Federation testified in support of the amendment.

Senator Beckman discussed the home equity loan issue as it pertains to seniors. Senator Traub asked if the counselling service would be available to seniors in outstate Minnesota. Jim Solem from the Housing Finance Agency said the state provides a grant to the Senior Federation for a 1-800- toll free numbers senior citizens can use to get information/help.

Mr. Kroening moved to amend KN130 as follows:

Page 1, line 23, delete "the lender provides"

Page 1, line 24, after "services" insert "are provided"

The motion prevailed.

Mr. Davis moved amendment SCS0951A-11. Bill Strusinski addressed the committee on the amendment. Senator Metzen asked if the APAC group has seen this. Mr. Strusinski said they had not.

Paul Onka, from the Legal Services Advocacy Program said he was concerned about the amendment and urged that it be withdrawn.

There was a discussion regarding liens on personal property/household goods vs. liens on mobile homes. Senator Davis said in this bill they are trying to treat the two situations the same and they are not the same. The key is the capability of the lot owner to recoup rent.

Endnote 10

Senator Pogemiller said the amendment goes further than he would like to go. He would be willing to work on some language but could not support the amendment. He would agree to a lien for rent and then work on the other expenses.

April 3, 1991
Page 2

He also said if the APAC group would come to him and say that they wanted this, he would consider it.

A vote was taken on the Davis amendment and the motion prevailed.

Mr. Sams moved amendment SCS0951A-9. Jim Solem from the Minnesota Housing Finance Agency addressed the amendment. He said it makes clear what they are now able to do -- just a clarification. The motion prevailed.

Ms. Traub asked that the committee reconsider the subdivision 5 deletion passed by the committee at the last hearing. Her motion was to amend SCS0951A-8 as follows:

Page 2, delete line 6

The motion fails.

Mr. Kelly presented amendment SCS0951A-5 which the committee began discussing at the last meeting. Page 2, subdivision 2 had been stricken previously.

Warren Hanson from the City of St. Paul addressed the amendment.

Senator Pogemiller said he had no problem with the city being able to do business outside the redevelopment area, but they can create other redevelopment areas. He asked if the city has clearly defined who is going to do economic development and who is going to do housing, etc.??

Senator Kelly said this bill is a St. Paul delegation bill; he agreed to raise these issues with the St. Paul city officials.

Senator Gustafson said this doesn't make good policy.

Senator Bernhagen asked if these could become an obligation of the state. Mr. Hanson said no, they could not.

Mr. Kelly renewed his motion that SCS0951A-5 be passed. The motion prevailed. Senator Gustafson abstained.

Mr. Bernhagen questioned the reference on line 9 of the SCS0951A-9 amendment. Ms. Owen said it was incorrect.

Mr. Bernhagen moved to amend SCS0951A-9 as follows:

Page 1, line 9, delete "253.18" and insert "253.28"

The motion prevailed.

April 3, 1991

Page 3

Mr. Davis moved that S.F. 951 as amended be passed and referred to Judiciary.

The motion prevailed.

The meeting adjourned at 1:55 p.m.

Ardy Vos Peterson

Ardy Vos Peterson
Committee Secretary

Jim Metzen
Senator Jim Metzen
Chairman