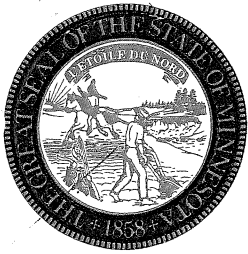


Appendix 5
Minutes of the Second Conference Committee for SF 720
March 1992



Minnesota House of Representatives

March 11, 1992

TO: Conferees :

Senator Bernhagen
Senator Kelly
Representative Jefferson
Representative Morrison

FROM: Representative Karen Clark *kc*
Senator James Metzen

RE: **Conference Committee Report on SF 720**

Attached is the draft of the conference committee report on **SF 720** and a summary of what it does. As we have agreed in our informal confereeing of this bill, we are deleting those articles which are redundant because they have since passed in other bills, and we are deleting any new language on replacement housing.

Senator Metzen and I ask you to review this for your final approval.

Please let us know if you can sign off on this. We will have the conferee papers prepared for your signature as soon as we hear back from you.

Attachment

5/20/91

Bill Comparison

DRAFT

H.F. 1002 and S.F. 720

Article 1. Section 1. Tenant representation in court. 481.02, subd. 3.

Sec. 2. Action to recover premises. 504.02.

No comparable provision.

Sec. 3. Continuation of utility service. 504.185, subd. 2.

Secs. 4 & 5. Return of damage deposit. 504.20, subds. 3 & 4.

me - ment
+ DA -
388
~~Sec. 6. Tort liability. 504.26. Adds a section establishing statutory tort liability for landlords.~~

Sec. 7. Protection against illegal utility shutoff. 504.27.

Article 2. Section 1. Recovery of possession of premises. 566.03, subd. 1.

Sec. 2. Jurisdiction of the housing calendar consolidation project. 566.17.

Sec. 3. Extension of the application of unlawful removal statutes. 566.175, subd. 6.

Sec. 4. Majority requirements for tenant remedy actions. 566.18, subd. 9.

movement
DA 197
~~Sec. 5. Tenant notification for common area violations. 566.19, subd. 2. Requires inspectors to give notice to tenants of violations in common areas informing them of their right to take action if the violation is not corrected.~~

Article 1. Section 1. Identical.

Sec. 2. Amends same section. Paragraph (b) contains court refund language. Paragraphs (d) and (e) identical to paragraphs (c) and (d).

Sec. 3. Rental energy conservation. 504.18, subd. 1. Contains rental energy language.

Sec. 4. Identical.

Secs. 5 & 6. Identical except adds "after" to receipt of mailing address.

No comparable provision.

Sec. 7. Identical.

Article 2. Section 1. Identical, except clause ii has similar provisions different language.

Sec. 2. Identical.

Sec. 3. Identical.

Sec. 4. Identical.

No comparable provisions.

Secs. 6-10. Notice of condemnation of rental buildings. 566.205+ Includes condemnation of a rental building or notice of condemnation with emergencies involving loss of essential services for the petition of relief from the court under the tenant remedy actions. Requires notice to government units. Authorizes the court to order stays in certain circumstances.

No comparable provisions.

Sec. 11. Bond requirements for tenant remedy actions. 566.29, subd. 2.

Sec. 5. Identical.

Sec. 12. Source of funds for court appointed administrators of rental property. 566.29, subd. 4.

Sec. 6. Identical.

Sec. 13. Authorization of rent escrow proceedings. 566.34, subd. 2. Authorizes tenants to begin a rent escrow proceeding before rent is owed to the landlord. All rent due after initiating the action would be deposited with a court administrator.

No comparable provisions.

Sec. 14. Misdemeanor utility shut off. 609.606.

Sec. 7. Identical.

Sec. 15. Fee study. Requires the state court administrator to study and report to the legislature on the impact of changing court fees and fee refunds. Relates to fee refund in article 1, section 2 of SF 720.

Article 3. No comparable provision. Contained in a separate house file.

Article 3. Section 1. Counseling for reverse mortgages. 47.58.

No comparable provision. Contained in human resources appropriations.

Secs. 2 to 5. MHFA technical bill.

~~**Section 1. Compliance with lead regulations.** 116C.04. Requires the EOB to coordinate compliance with lead regulations.~~

~~No comparable provisions.~~

Secs. 2-8. Coordinated homeless housing and training projects. Establishes a planning grants program. *# given Human Resources bill.*

No comparable provisions.

~~Secs. 9-19. Department of health lead standards and provisions.~~

No comparable provisions.

~~Sec. 20. Emergency mortgage and rental assistance. Deleted with amendment. Contained in human resources amendment.~~

No comparable provisions.

~~Secs. 21 & 22. MHEA residential lead abatement. Authorizes the agency to make loans and grants for lead abatement.~~

No comparable provisions.

Secs. 23-28. Housing impact report and replacement housing. Amends current statute. Changed by floor amendment.

No comparable provisions.

Article 4. Secs. 1-3. Youth working on homeless project. Amends current statute by limiting grant size, making changes to the education component. *fall in State Dept's bill.*

No comparable provisions.

Article 5. Assignment of Rents and Receivership.

Article 4. Assignment of Rents and Receivership.

Section 1. Landlord liability for rent deposits. 504.20, subd. 4.

Section 1. Identical.

Sec. 2. Landlord accountability for security deposits. 504.20, subd. 5.

Sec. 2. Identical.

Sec. 3. Punitive damage for retention of security deposits. 504.20, subd. 7.

Sec. 3. Identical.

Sec. 4. Limits on the assignment of rents for mortgaged property. 559.17, subd. 2.

Sec. 4. Identical.

Sec. 5. Limits on the appointment of a receiver in foreclosure. 576.01, subd. 2.

Sec. 5. Identical.

Article 6. Housing and Redevelopment Authorities.

Article 5. Housing and Redevelopment Authorities.

No comparable provisions

Section 1. Section 8 program. 469.002, subd. 24. Technical change 1989 to 1990.

Section 1. HRA commissioner per diem payments. 469.011. Raises per diem up to \$55 and excludes elected officials from collecting.

Sec. 2. HRA eminent domain authority. 469.012.

No comparable provisions.

Secs. 3-4. Exemption from HRA performance bond requirements. 469.015, subds. 3 and 4.

Sec. 5. HRA acceptance of checks in lieu of bonds. 469.015. Authorizes acceptance of certified check, letter of credit, or cashier's check.

Article 7. Local Housing and Economic Development.

Sections 1-2. Small business incubator.

No comparable provision. **all in State Dept. bill*

Sec. 3. Small business loans.

Sec. 4. Economic development activity (St. Paul).

House has last paragraph making the city abide by existing laws, etc. in expending funds.

Sec. 5. Effective date. House adds compliance with section 645.021 to effective date.

No comparable provision.

Article 8. Neighborhood Land Trusts.

Sec. 2. Identical, except absolute increase to \$55 per diem and elected officials are not excluded.

Sec. 3. Identical, except adds "currently vacant" in paragraph (7) and word differences in paragraph (32).

Sec. 4. Administration of federal leased assistance payments. 469.012, subd. 3.

Secs. 5-6. Identical.

Sec. 7. Identical, except does include letter of credit.

Article 6. Local Housing and Economic Development.

No comparable provision.

Sections 1-2. Use of taxable bonds for single family rehabilitation in municipal housing programs.

Sec. 3. Identical.

Sec. 4. Slight language differences throughout.

Senate has subdivision 2 in supplemental powers.

Sec. 5. Identical except compliance.

Article 7. Taxes.

No comparable provision. Separate Senate file.

Article 9. Funding for Land Trusts.

in Human Resources bill

Article 10. Appropriations. Deleted by floor amendment.

No comparable provision. Separate Senate file.

No comparable provision.

Research Department

Thomas Todd, Director

600 State Office Building
St. Paul, Minnesota 55155-1201
(612) 296-6753 [FAX 296-9887]



Minnesota House of Representatives

March 10, 1992

TO: Representative Karen Clark
FROM: Kathy Novak, Legislative Analyst
RE: S.F. 720 - the conference report

Attached is a draft copy of the conference report for S.F. 720 with the agreed upon changes. Also attached is a summary of the draft conference report. The new conference report has seven articles. The previous report had nine articles.

The following changes were made to the original conference report from May, 1991:

Article 1 - Combines section 6, article 1 and section 1, article 4 into new article 1, section 6. Because both sections amended Minnesota Statutes 504.20, subdivision 4, the language changes were combined.

New Article 1 combines old Article 2 and old Article 4, sections 1, 2, and 3. All of the sections deal with landlord tenant issues. These were added to Article 1 to form a new Article 1 on landlord tenant.

Article 2 - Combines old Article 2 with old Article 1. Becomes new Article 1, Landlord Tenant.

Article 3 - Deleted because all language is redundant. Section 1. Counseling for Reverse Mortgages; enacted in Chapter 201, Laws of Minnesota 1991.

Section 2. Amends section 462A.03, subdivision 10, definition of low and moderate income enacted in Chapter 292, Article 9, Section 15, Laws of Minnesota 1991,

Article 4 - Sections 1, 2, and 3 are in new Article 1. Sections 4 and 5 become new Article 2. Assignment of Rents and Receivership.

Article 5 - Technical change by the revisor to section 1, eliminating the reference to 1990 (a specific year is unnecessary except for federal tax amendments).

Incorporates the revisor bill correction that eliminated payment for daycare (lines 30 - 34). Becomes new Article 3, Housing and Redevelopment Authorities.

Article 6 - Eliminates all but section 9. Section 1 amends section 462C.03, subdivision 10; enacted in Chapter 291, Article 21, Section 16, Laws of Minnesota 1991.

Eliminates sections 2, 3, 4, 5, and 6 so that no changes are made to replacement housing language in current law.

Eliminates section 6, Minneapolis small business loans, which is moving through this legislative session.

Section 9 becomes new Article 4, Local Housing and Economic Development Programs.

Article 7 - No changes. Becomes new Article 5, Park and Recreation Boards.

Article 8 - Eliminates section 4 so that no changes are made to replacement housing language in current law. Becomes new Article 6, Miscellaneous.

Article 9 - Adds some language to clarify that the grant program is under the authority of the commissioner of housing finance. Becomes new Article 7, Housing and Economic Development Programs.

I hope this is helpful. Please let me know if there are any changes. Changes to the conference report have to be made by the revisor.

KN/lis

DRAFT

A. F. Conference Committee Report for S.F. 720
SUBJECT: Omnibus housing bill
AUTHORS: House -- Clark, Jefferson, Morrison
Senate -- Metzen, Kelly, Bernhagen
COMMITTEE: Conference
ANALYST: Kathy Novak, 296-9253

DATE: March 7, 1992

**Article 1
Landlord and Tenant
Page 2**

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

Sec. 2. Action to recover. Amends section 504.02 by authorizing the court in unlawful detainer to order a refund of the landlord's filing fee if the tenant brings past due rent to court and the court finds that the tenant meets certain conditions.

Authorizes the court to provide additional time for a tenant, who has paid all past due rent, to pay other landlord costs for bringing the unlawful detainer. Requires a written agreement between the landlord and tenant that partial payment of past due rent is applied to the balance due and acceptance does not waive the landlord's action to recover possession. Rent payments under this section are applied first to past periods before current periods.

Sec. 3. Energy efficiency. Amends the covenant of habitability statute to require energy efficiency in rental property and cross reference existing energy standards.

Sec. 4. Utility service. Authorizes tenants, or their representative, to pay for continued utility service after the responsible owner or landlord has been issued notice of service termination.

Secs. 5-7. Damage deposit return. Shortens to five days (from three weeks) the time in which the landlord must return a damage deposit if the building is condemned or the landlord's interest in the building is terminated.

Requires the landlord to return or account for the security deposit to the renter within 60 days after the landlord's termination of interest in the premises, or when the successor in interest is required to return or otherwise account for the deposit, whichever occurs first.

Article 3
Housing and Redevelopment Authorities
Page 19

Section 1. Section 8 program. Technical amendment.

Sec. 2. HRA per diem. Raises per diem of HRA commissioners to \$55 (now \$35). Commissioners who are elected officials or full-time public employees are disallowed per diem payment if reimbursed by another source, but may be reimbursed for other expenses incurred as a result of board activities.

Sec. 3. Schedule of powers. Expands HRA eminent domain authority to include vacant lots which contained substandard building within three years preceding the exercise of eminent domain. Allows HRAs to secure mortgages and loans by obtaining the appointment of receivers and the assignment of rents and profits without regard to minimum original principle amount limitations.

Sec. 4. Exercise of powers. Authorizes HRAs to administer a leased existing housing assistance payment program under section 8 provisions.

Secs. 5 to 6. Performance bonds. Exempts the following contracts from performance bond requirements:

- (1) contracts of less than \$25,000;
- (2) construction change orders for housing projects in which 30 percent of the construction has been completed;
- (3) single family housing projects in which the authority acts as the general contractor;
- (4) services or materials for a housing project.

Authorizes an HRA to accept a certified check or cashier's check in lieu of a performance bond for contracts under \$25,000.

Article 4
Local Housing and Economic Development Program
Page 30

Sections 1 and 2. St. Paul economic development program. Authorizes the city of St. Paul and the St. Paul HRA to provide business working capital, acquire an equity interest in for-profit businesses, use funds outside the boundaries of existing development or redevelopment areas or districts, and with some limitations (only the city can issue bonds) exercise the powers of an economic development authority.

Article 5
Park and Recreation Boards
Page 31

Sections 1 to 3. Park and recreation board districts. Changes the appointment process for the Minneapolis reapportionment commission to allow the park and recreation board to appoint two members.

Establishes standards for setting the boundaries for the Minneapolis park districts.

Article 6
Miscellaneous
Page 33

Sections 1-3. Youth employment grant program. Modifies the existing youth employment grant program administered by state planning. The program provides education and training opportunities to at-risk youth in conjunction with construction or rehabilitation of housing for the homeless. Limits annual grants to \$50,000 per organization (no current limit). Requires the commissioner to give priority for grants to organizations that operate or have operated a successful program and to distributing programs throughout the state. Requires the existing job readiness skills component to comprise a minimum of 20 percent of each program. Adds an understanding of a variety of employment opportunities to the job-readiness provisions. Gives top priority for available residential units to homeless individuals who participated in the rehabilitation.

Sec. 5. Escrow of rent. Allows tenants who do not owe rent to begin a rent escrow action.

Article 7
Housing and Economic Development Programs
Page 35

Section 1. Training and housing program for homeless adults. Establishes, in the housing finance agency, a planning and demonstration grants program for eligible nonprofit organizations to provide home ownership opportunities in conjunction with education and training services for homeless adults.

Each program must contain work experience, job readiness, and life skills components. The work experience component must include projects that result in rehabilitation or construction of housing for the homeless, offer training for potential jobs, pay monetary compensation, provide supervision, and examine how participants may achieve certification.



**State of Minnesota
Department of Finance**

400 Centennial Building
658 Cedar Street
St. Paul, Minnesota 55155
(612) 296-5900

April 9, 1991

Chief Author

Senator: Metzen
303 Capitol

Representative:

Committee Chair:

Senator: Metzen

Representative:

House Appropriations Committee
Carol Kummer, Committee
Administrator
Room 363, State Office Building

Senator Merriam, Chairman
Senate Finance Committee
Room 122, State Capitol

Dan Salomone, Senate Research
Attn: Jay Kroshus
G-17, State Capitol

Re: Fiscal Notes

Transmitted herewith in compliance with M.S. 3.98 are Fiscal Notes pertaining to the following bills:

Senate File Number(s): 720

House File Number(s): (1002)



Due = 4-5-91

FISCAL NOTE - 1991 SESSION

F.N. ID No. 175-2

BILL TITLE: MHFA - Estb Shallow Rent Subsidy - Lease Pur

House File No. (1002)

This Fiscal Note on: XX Original Bill Amended Bill No.

Senate File No. 720

AGENCY: Housing Finance

Date: April 3, 1991 APR 8 1991

Prepared By: Peter Goedert

Phone No: 296-9815

CONSOLIDATED: OF Agencies impacted:

1. ESTIMATE OF IMPACT ON EXPENDITURES - Increase (Decrease) - Dollars in Thousands (000's)

Name(s) of FUND:	POS.	F.Y. 1991	POS.	F.Y. 1992	POS.	F.Y. 1993
The bill is blank as to amount.						
SUBTOTALS						
Amount Agency can Absorb						
NAME OF FUND:		()		()		()
TOTAL CHANGE IN EXPENDITURES		\$		\$		\$

2. LONG-RANGE IMPLICATIONS ON EXPENDITURES (EXPLAIN ASSUMPTIONS ON NARRATIVE) - Dollars in Thousands (000's)

Name(s) of FUND:	F.Y. 1994	F.Y. 1995	TOTAL
	\$	\$	\$
TOTAL	\$	\$	\$

3. ESTIMATE OF IMPACT ON REVENUES - INCREASE (DECREASE) -- Dollars in Thousands (000's)

Name(s) of FUND:	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
TOTAL CHANGE IN REVENUES	\$	\$	\$	\$	\$

Does this bill include language which may impact new or changed fees? NO XX YES (Explain on Narrative)

4. DOES BILL PROPOSE NEW OR EXPANDED MANDATES ON POLITICAL SUBDIVISIONS? XX NO

YES [IF YES:] NONPROGRAM MANDATES PROGRAM MANDATES

On Narrative identify, explain and estimate the projected fiscal impact of the bill on state government and on the affected political subdivisions, including estimates of the levy impacts of the mandates.

5. NARRATIVE (EXPLANATIONS AND DETAIL INFORMATION ARE TO BE DISPLAYED ON NARRATIVE.)

- A. Assumptions, rationale, computations of estimated costs and revenues.
- B. Statutory provisions affected that are not indicated in the bill.
- C. Comments on technical or mechanical defects in bill.
- D. Other considerations, effective dates, etc.
- E. If new fiscal obligations are imposed on political subdivisions, indicate efforts made to reduce those obligations, including consultations made with representatives of the political subdivisions.

Signature: Agency Head

Date: 4-3-91

Signature: Executive Budget Officer

Date: 4/5/91

Fiscal Note - SF 720
Housing Finance Agency

A. Assumptions, rationale, computations.

If the Agency receives the 5 new positions requested in the biennial budget document, no additional new positions will be needed for the programs in this bill.

D. Other considerations.

The first engrossment of this bill includes language to implement the Governor's \$5 million Rent Assistance for Family Stabilization Program.