

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 4495

(SENATE AUTHORS: WESTROM)

| DATE | D-PG | OFFICIAL STATUS |
|------------|-------|--|
| 04/20/2020 | 5798 | Introduction and first reading Referred to Agriculture, Rural Development, and Housing Policy |
| 04/23/2020 | 5837 | Withdrawn and re-referred to Agriculture, Rural Development, and Housing Finance |
| 04/30/2020 | 6019a | Comm report: To pass as amended and re-refer to Finance Joint rule 2.03, referred to Rules and Administration |
| 05/06/2020 | 6363 | Comm report: Adopt previous comm report Jt. rule 2.03 suspended |
| 05/14/2020 | | Comm report: To pass as amended Second reading |

1.1 A bill for an act

1.2 relating to housing; providing for eviction and mortgage foreclosure protection

1.3 and emergency housing assistance during a public health emergency; requiring a

1.4 report; prescribing penalties for false statements; appropriating money.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **EVICITION ACTIONS; STATE OF EMERGENCY.**

1.7 (a) In the event of a public health emergency, as defined in paragraph (c), the following

1.8 actions are prohibited for 60 days after March 24, 2020, within the jurisdiction of the public

1.9 health emergency:

1.10 (1) filing of eviction actions under Minnesota Statutes, section 504B.285 or 504B.291,

1.11 except where the tenant seriously endangers the safety of others or for violations under

1.12 Minnesota Statutes, section 504B.171, subdivision 1;

1.13 (2) termination of residential leases, except at the request of a tenant or where the

1.14 termination is due to the tenant seriously endangering the safety of others or for violations

1.15 under Minnesota Statutes, section 504B.171, subdivision 1;

1.16 (3) execution of writs of recovery under Minnesota Statutes, section 504B.365,

1.17 subdivision 1, with the exception of writs of recovery designated as priority execution under

1.18 Minnesota Statutes, section 504B.365, subdivision 2; for any order to vacate that is based

1.19 on an eviction under Minnesota Statutes, section 504B.171; or on the basis that the tenant

1.20 seriously endangered the safety of others;

1.21 (4) termination of a rental agreement or filing an eviction action under Minnesota Statutes,

1.22 section 327C.09, except terminations or eviction actions under Minnesota Statutes, section

2.1 327C.09, subdivision 3, violations of law, or for cases brought under Minnesota Statutes,
 2.2 section 327C.09, subdivision 5, if the case is based on the resident endangering the safety
 2.3 of other residents or park personnel; and

2.4 (5) delivery of default notices by owners of security interests in manufactured homes
 2.5 located in Minnesota, pursuant to Minnesota Statutes, section 327.64, as well as the ability
 2.6 of secured parties to commence actions for court orders to remove occupants from
 2.7 manufactured homes.

2.8 (b) Nothing in this section reduces the rent owed by the tenant to the landlord, prevents
 2.9 the landlord from collecting rent owed, reduces arrears owed by a tenant for rent, or alters
 2.10 the terms of the lease between the landlord and tenant.

2.11 (c) For the purposes of this section, "public health emergency" means the peacetime
 2.12 emergency declared by the governor on March 13, 2020, in Executive Order 20-01 in
 2.13 response to COVID-19 or any other peacetime emergency declared by the governor by an
 2.14 executive order issued within 30 days of Executive Order 20-01 that relates to COVID-19.

2.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.16 **Sec. 2. EXTENSION OF EVICTION ACTIONS; STATE OF EMERGENCY.**

2.17 (a) The governor has the power to extend the prohibitions listed in section 1, paragraph
 2.18 (a), for up to 30 days in the event the public health emergency persists and threatens the
 2.19 health and safety of the citizens of Minnesota. The total number of days of extension allowed
 2.20 under this section is 30 days. No extensions are allowed after this 30-day period. Nothing
 2.21 in this section reduces the rent owed by the tenant to the landlord, prevents the landlord
 2.22 from collecting rent owed, reduces arrears owed by a tenant for rent, or alters the terms of
 2.23 the lease between the landlord and tenant. For the purposes of this section, "public health
 2.24 emergency" has the meaning given in section 1, paragraph (c).

2.25 (b) A landlord may not terminate a lease during the 30-day period, except at the request
 2.26 of a tenant, or where the termination is due to the tenant seriously endangering the safety
 2.27 of other residents or for violations under Minnesota Statutes, section 504B.171, subdivision
 2.28 1. Leases expiring during the 30-day period must be extended to the end of the period if
 2.29 requested by the tenant within 15 days before the lease expires.

2.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.1 Sec. 3. **ASSISTANCE FRAUD.**

3.2 Any person who, with the intent to defraud, presents a claim under section 4 which is
3.3 false in whole or in part, is guilty of an attempt to commit theft of public funds and may be
3.4 sentenced accordingly.

3.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.6 Sec. 4. **APPROPRIATION; 2020 EMERGENCY HOUSING ASSISTANCE GRANTS.**

3.7 (a) \$30,000,000 in fiscal year 2020 is appropriated from the general fund to the
3.8 commissioner of the Minnesota Housing Finance Agency for transfer to the housing
3.9 development fund for the family homeless prevention and assistance program under
3.10 Minnesota Statutes, section 462A.204. The agency may use grantees of the family homeless
3.11 prevention and assistance program under Minnesota Statutes, section 462A.204, and the
3.12 grantees are preapproved to distribute money under this section. Notwithstanding the
3.13 requirements of Minnesota Statutes, sections 16C.06 and 462A.204, the commissioner of
3.14 the Minnesota Housing Finance Agency shall allocate these resources to existing grantees
3.15 and contract with other entities that are not current grantees based on homelessness prevention
3.16 needs. Entities may include counties, cities, nonprofit organizations, tribes, or other entities
3.17 identified by the agency. For purposes of this emergency appropriation, nonprofits do not
3.18 need to obtain sponsoring resolutions from counties as required under Minnesota Statutes,
3.19 section 462A.204, subdivision 3. This appropriation is onetime and available until December
3.20 31, 2020. Funds not committed or expended by December 31, 2020, shall cancel to the
3.21 general fund. If federal funds become available for use for this program, federal funds shall
3.22 be used prior to use of this appropriation. To the extent practicable, the Minnesota Housing
3.23 Finance Agency shall notify the media, landlords, chambers of commerce, and other
3.24 interested parties of the availability of the assistance program.

3.25 (b) Funding under this section shall be for individuals, families, and homeowners in
3.26 Minnesota to prevent homelessness and help maintain homeownership during
3.27 public-health-related emergencies consistent with the requirements of this section. The
3.28 commissioner may contract with county agencies, local governments, tribes, or nonprofit
3.29 organizations to provide funding and support services to process applications for funding
3.30 under this program. To be eligible for funding, applicants must:

3.31 (1) have a public-health-related emergency as defined in this section;

3.32 (2) have a rent payment, mortgage payment, homeowner association dues, lot rent due
3.33 to a manufactured home park, contract for deed payment, homeowner insurance payment,

4.1 property tax payment, or utility payment with a due date of March 1, 2020, or later, that is
4.2 past due;

4.3 (3) be unable to pay the money owed because of the public health emergency; and

4.4 (4) be a household, with a current gross income under 300 percent of the federal poverty
4.5 guidelines at the time of application or as averaged over the previous 12 months, whichever
4.6 is lower.

4.7 (c) If an applicant applies for relief from sources other than the 2020 emergency housing
4.8 assistance grants and receives aid for the purposes of paying for housing, the applicant must
4.9 immediately notify the granting agency. Applicants may receive funding for rent, a mortgage
4.10 payment, homeowner association dues, rent due for a manufactured home, contract for deed
4.11 payment owed to a seller, homeowner insurance or property tax payment owed for a home,
4.12 or utility payment owed with a due date of March 1, 2020, or later, that is due within 14
4.13 days of the application or that is up to 45 days past due at the time of application. Entities
4.14 receiving grants under this section must provide written notification of legal duties that are
4.15 taken on by aid recipients, including but not limited to informing the granting agency if a
4.16 recipient receives aid for the purposes of paying for housing.

4.17 (d) Once an application is approved, the assistance file may remain open to allow for
4.18 consideration of additional future assistance needs under this funding program resulting
4.19 from the public health emergency. The financial assistance provided for any individual or
4.20 family must not exceed the minimum rent due, contract for deed payment, or mortgage
4.21 payment owed, plus the homeowner association dues and utility payments owed, for a period
4.22 of 90 days, except those at risk of experiencing homelessness.

4.23 (e) Funding under this section must be paid directly to:

4.24 (1) the landlord or leasing agent for a rental unit;

4.25 (2) the financial service for a mortgage or the entity who owns the mortgage for a
4.26 homeowner;

4.27 (3) the contract for deed vendor or seller;

4.28 (4) the purchase-money mortgagor;

4.29 (5) the manufactured home park cooperative, manufactured home owner, or park owner;

4.30 (6) the utility company; or

4.31 (7) any other identified entity to whom payment is owed.

5.1 (f) The commissioner may develop applications for the program and a process to oversee
5.2 grantees.

5.3 (g) Data submitted from benefits by an applicant to establish eligibility under this section
5.4 is subject to Minnesota Statutes, section 13.462.

5.5 (h) By February 8, 2021, the Minnesota Housing Finance Agency must submit a report
5.6 to the chairs and ranking minority members of the legislative committees with jurisdiction
5.7 over housing finance with a summary of the performance of this program. The report must
5.8 contain the following information:

5.9 (1) the total number of grants awarded to grantees and the number of households assisted
5.10 under this program;

5.11 (2) the total amount of grant funding awarded to grantees and households assisted under
5.12 this program;

5.13 (3) the mean and median grant amounts awarded to grantees and households assisted
5.14 under this program;

5.15 (4) a summary of the geographic distribution of grants awarded under this program,
5.16 including a list of the number of households awarded grants by county and the total dollar
5.17 amount in assistance provided to all households by county; and

5.18 (5) a list of all entities contracted with to process applications under this program.

5.19 (i) For the purposes of this section, "public-health-related emergency" means:

5.20 (1) an illness, either of an individual or an individual's relative or household member,
5.21 related to COVID-19 that prevents the individual from maintaining employment temporarily
5.22 or permanently and the individual's income is reduced by 15 percent or more; or

5.23 (2) a reduction in income by 15 percent or more, or temporary or permanent
5.24 unemployment as a result of COVID-19, or due to the peacetime emergency declared by
5.25 the governor on March 13, 2020, in Executive Order 20-01 in response to COVID-19 or
5.26 any other peacetime emergency declared by the governor by an executive order issued on
5.27 or before September 30, 2020, that relates to COVID-19.

5.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.