

## CHAPTER 560—S.F.No.943

*An act relating to education; interest on installment purchase of buses; amending Minnesota Statutes 1971, Section 123.39, Subdivision 3.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1971, Section 123.39, Subdivision 3, is amended to read:

Subd. 3. **SCHOOL DISTRICTS; PURCHASE OF BUSES; INSTALLMENT PLAN; INTEREST.** The board may purchase buses on the installment plan, the installments to be all paid within a period of not to exceed three years from the date of purchase and the deferred payments to bear a rate of interest of not to exceed ~~four~~ six percent per annum.

Approved May 23, 1973.

## CHAPTER 561—S.F.No.965

[Coded in Part]

*An act relating to real estate; landlord and tenant; deposit of money; amending Minnesota Statutes 1971, Chapter 504, by adding a section; and repealing Minnesota Statutes 1971, Section 504.19.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1971, Chapter 504, is amended by adding a section to read:

**[504.20] LANDLORD AND TENANT; INTEREST ON SECURITY DEPOSITS; WITHHOLDING SECURITY DEPOSITS; DAMAGES.** Subdivision 1. Any deposit of money, the function of which is to secure the performance of a residential rental agreement or any part of such an agreement, other than a deposit which is exclusively an advance payment of rent, shall be governed by the provisions of this section.

Subd. 2. Any such deposit of money shall not be considered received in a fiduciary capacity within the meaning of Minnesota Statutes, Section 87.17, Subdivision 7, but shall be held by the

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landlord for the tenant who is party to such agreement and shall bear simple interest at the rate of five percent per annum noncompounded, computed from the first day of the next month following the full payment of such deposit to the last day of the month of termination of the tenancy. Any interest amount less than \$1 shall be excluded from the provisions of this act.

Subd. 3. Every landlord shall, within two weeks after termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, return such 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. The landlord may withhold from such deposit only such amounts as are 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 such deposit, the burden of proving, by a fair preponderance of the evidence, the reason for withholding all or any portion of such deposit shall be on the landlord.

Subd. 4. Any landlord who fails to provide a written statement within two weeks of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, shall forfeit all rights to withhold any portion of such deposit.

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 his agent shall, within a reasonable time, do one of the following acts, either of which shall relieve him 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.

Subd. 6. Upon termination of the landlord's interest in the premises, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord's successor in interest shall have all of the rights and obligations of the landlord with respect to such

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deposit, except, that if tenant does not object to the stated amount within 20 days after written notice to tenant of the amount of deposit being transferred or assumed, the obligation of the landlord's successor to return such deposit shall be limited to the amount contained in such notice. Such notice shall contain a stamped envelope addressed to landlord's successor and may be given by mail or by personal service.

Subd. 7. The bad faith retention by a landlord of such deposit, or any portion thereof, in violation of this section shall subject the landlord to punitive damages not to exceed \$200 in addition to any actual damages. Failure by the landlord to provide the written statement required by subdivision 3 and to return such deposit within two weeks after the commencement of any action for the recovery of such deposit shall be presumed to be a bad faith retention by the landlord of such deposit.

Subd. 8. Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable.

Subd. 9. The provisions of this section shall apply only to tenancies commencing or renewed on or after July 1, 1973. For the purposes of this section, estates at will shall be deemed to be renewed at the commencement of each rental period.

Sec. 2. REPEALER. Minnesota Statutes 1971, Section 504.19, is repealed.

Approved May 23, 1973.

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## CHAPTER 562—S.F.No.1004

[Coded]

*An act relating to crimes and criminals; prohibiting experimentation and research on a living human conceptus or the sale of such living human conceptus; providing penalties.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **[145.421] PUBLIC HEALTH; HUMAN CONCEPTUS; EXPERIMENTATION, RESEARCH OR SALE; DEFINITIONS.** Subdivision 1. **TERMS.** As used in sections 1 and 2, the terms defined in this section shall have the meanings given them.

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