

Presented to the governor May 17, 1993

Signed by the governor May 20, 1993, 3:55 p.m.

CHAPTER 317—H.F.No. 531

An act relating to housing; requiring owner to furnish a tenant with a copy of a written lease; requiring disclosure of inspection and condemnation orders; modifying procedure for tenant file disclosure by tenant screening services; modifying definitions; requiring reports; providing penalties; amending Minnesota Statutes 1992, sections 504.29, by adding a subdivision; 504.30, subdivisions 1, 3, and 4; 504.33, subdivisions 3, 5, and 7; 504.34, subdivisions 1 and 2; and 566.18, subdivisions 2 and 7; Laws 1989, chapter 328, article 2, section 17, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 504; repealing Laws 1989, chapter 328, article 2, sections 18 and 19.

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

Section 1. [504.012] WRITTEN LEASE REQUIRED.

An owner of a multiunit building, with 12 or more residential units, shall have a written lease for each unit rented to a residential tenant. The definitions of "owner," "tenant," and "building" in section 566.18 apply to this section.

Sec. 2. [504.015] TENANT TO BE GIVEN COPY OF LEASE.

Subdivision 1. DEFINITIONS. For the purposes of this section, "owner" has the meaning given it in section 566.18, and "tenant" means any person occupying the dwelling unit whose signature appears on the lease agreement.

Subd. 2. COPY OF WRITTEN LEASE TO TENANT. An owner shall give a tenant a copy of a written lease. An owner may obtain a signed and dated receipt, either as a separate document or an acknowledgment included in the lease agreement itself, from the tenant acknowledging that the tenant has received a copy of the lease. This signed receipt or acknowledgment is prima facie evidence that the tenant has received a copy of the lease.

Subd. 3. LEGAL ACTION TO ENFORCE LEASE. In any legal action to enforce a written lease, except for nonpayment of rent, disturbing the peace, malicious destruction of property, or a violation of section 504.181, it is a defense for the tenant to establish that the owner failed to comply with subdivision 2. This defense may be overcome if the owner establishes that the tenant had actual knowledge of the term or terms of the lease upon which any legal action is based.

Sec. 3. [504.201] RESTRICTION ON LEASE TERMS FOR BUILDINGS IN FINANCIAL DISTRESS.

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Subdivision 1. DEFINITIONS. The definitions of "owner," "tenant," and "building" in section 566.18 apply to this section. For purposes of this section, the term "building" does not include a manufactured home park as defined in section 327C.01, subdivision 5.

Subd. 2. Once an owner has received notice of a contract for deed cancellation under section 559.21 or notice of a mortgage foreclosure sale under chapter 580 or 582, the owner may enter into a periodic lease agreement with a term of two months or less or a fixed term tenancy not extending beyond the cancellation period or owner's period of redemption until:

- (1) the contract for deed has been reinstated or paid in full;
- (2) the mortgage default has been cured and the mortgage reinstated;
- (3) the mortgage has been satisfied;
- (4) the property has been redeemed from a foreclosure sale; or
- (5) a receiver has been appointed.

Sec. 4. [504.246] DISCLOSURE REQUIRED FOR OUTSTANDING INSPECTION AND CONDEMNATION ORDERS.

Subdivision 1. DISCLOSURE TO TENANT. (a) Except as provided in subdivision 3, a landlord, agent, or person acting under the landlord's direction or control shall provide a copy of all outstanding inspection orders for which a citation has been issued, pertaining to a rental unit or common area, specifying code violations issued under section 566.19, that the housing inspector identifies as requiring notice because the violations threaten the health or safety of the tenant, and all outstanding condemnation orders and declarations that the premises are unfit for human habitation to:

- (1) a tenant, as defined in section 566.18, either by delivery or by United States mail, postage prepaid, within 72 hours after issuance of the citation;
- (2) a person before signing a lease or paying rent or a security deposit to begin a new tenancy; and
- (3) a person prior to obtaining new ownership of the property subject to the order or declaration.

The housing inspector shall indicate on the inspection order whether the violation threatens the health or safety of a tenant or prospective tenant.

(b) If an inspection order, for which a citation has been issued, does not involve code violations that threaten the health or safety of the tenants, the landlord, agent, or person acting under the landlord's control shall post a summary of the inspection order in a conspicuous place in each building affected by the inspection order, along with a notice that the inspection order will be made available by the landlord for review, upon a request of a tenant or prospective

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tenant. The landlord shall provide a copy of the inspection order for review by a tenant or a prospective tenant as required under this subdivision.

Subd. 2. PENALTY. If the landlord, agent, or person acting under the landlord's direction or control violates this section, the tenant is entitled to remedies provided by section 8.31, subdivision 3a, and other equitable relief as determined by the court.

Subd. 3. EXCEPTION. A landlord, agent, or person acting under the landlord's direction or control is not in violation of this section if:

(1) the landlord, agent, or person acting under the landlord's direction or control has received only an initial order to repair;

(2) the time allowed to complete the repairs, including any extension of the deadline, has not yet expired, or less than 60 days has elapsed since the expiration date of repair orders and any extension or no citation has been issued; or

(3) the landlord, agent, or person acting under the landlord's direction or control completes the repairs within the time given to repair, including any extension of the deadline.

Subd. 4. LANDLORD'S DEFENSE. It is an affirmative defense in an action brought under this section for the landlord, agent, or person acting under the landlord's control to prove that disclosure was made as required under subdivision 1.

Sec. 5. Minnesota Statutes 1992, section 504.29, is amended by adding a subdivision to read:

Subd. 2a. PROPER IDENTIFICATION. "Proper identification" means information generally considered sufficient to identify a person, including a Minnesota driver's license, a Minnesota identification card, other forms of identification provided by a unit of government, a notarized statement of identity with a specimen signature of the person, or other reasonable form of identification.

Sec. 6. Minnesota Statutes 1992, section 504.30, subdivision 1, is amended to read:

Subdivision 1. **DISCLOSURES REQUIRED.** (a) Upon request and proper identification, a tenant screening service must disclose the following information to an individual:

(1) the nature and substance of all information in its files on the individual at the time of the request; and

(2) the sources of the information.

A tenant screening service must make the disclosures to an individual without charge if information in a tenant report has been used within the past 30

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days to deny the rental or increase the security deposit or rent of a residential housing unit to the individual. If the tenant report has not been used to deny the rental or increase the rent or security deposit of a residential housing unit within the past 30 days, the tenant screening service may impose a reasonable charge for making the disclosure required under this section. The tenant screening service must notify the tenant of the amount of the charge before furnishing the information. The charge may not exceed the amount that the tenant screening service would impose on each designated recipient of a tenant report, except that no charge may be made for notifying persons of the deletion of information which is found to be inaccurate or which can no longer be verified.

(b) Files maintained on a tenant must be disclosed promptly as established in clauses (1) to (4).

(1) A tenant file must be disclosed in person, during normal business hours, at the location where the tenant screening service maintains its files, if the tenant appears in person and furnishes proper identification at that time.

(2) A tenant file must be disclosed by mail, if the tenant makes a written request with proper identification for a copy of the information contained in the tenant report and requests that the information be sent to a specified address. A disclosure made under this clause shall be deposited in the United States mail, postage prepaid, within five business days after the written request for disclosure is received by the tenant screening service. A tenant screening service complying with a request for disclosure under this clause shall not be liable for disclosures to third parties caused by mishandling mail, provided that the tenant file information is mailed to the address specified by the tenant in the request.

(3) A summary of the information in a tenant file must be disclosed by telephone, if the tenant has made a written request with proper identification for telephone disclosure.

(4) Information in a tenant's file required to be disclosed in writing under this subdivision may be disclosed in any other form including electronic means if authorized by the tenant and available from the tenant screening service.

Sec. 7. Minnesota Statutes 1992, section 504.30, subdivision 3, is amended to read:

Subd. 3. **EXPLANATIONS.** The tenant screening service must permit an individual to explain any unlawful detainer report or any disputed item not resolved by reinvestigation in a tenant report. The explanation must be included in the tenant report. The tenant screening service may limit the explanation to no more than 100 words.

Sec. 8. Minnesota Statutes 1992, section 504.30, subdivision 4, is amended to read:

Subd. 4. **COURT FILE INFORMATION.** (a) If a tenant screening service

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includes information from a court file on an individual in a tenant report, the outcome of the court proceeding must be accurately recorded in the tenant report; ~~unless the outcome is not provided by the court.~~ Whenever the court supplies information from a court file on an individual, in whatever form, the court shall include information on the outcome of the court proceeding when it ~~is~~ becomes available. The tenant screening service is not liable under section 504.31 if the tenant screening service reports complete and accurate information as provided by the court.

(b) A tenant screening service shall not provide tenant reports containing information on unlawful detainer actions in the second and fourth judicial districts, unless the tenant report accurately records the outcome of the proceeding or other disposition of the unlawful detainer action such as settlement, entry of a judgment, default, or dismissal of the action.

Sec. 9. Minnesota Statutes 1992, section 504.33, subdivision 3, is amended to read:

Subd. 3. **DISPLACE.** "Displace" means to demolish, acquire for or convert to a use other than low-income housing, or to provide or spend money that directly results in the demolition, acquisition, or conversion of housing to a use other than low-income housing.

"Displace" does not include providing or spending money that directly results in: (i) housing improvements made to comply with health, housing, building, fire prevention, housing maintenance, or energy codes or standards of the applicable government unit; (ii) housing improvements to make housing more accessible to a handicapped person; or (iii) the demolition, acquisition, or conversion of housing for the purpose of creating owner-occupied housing that consists of no more than four units per structure.

"Displace" does not include downsizing large apartment complexes by demolishing less than 25 percent of the units in the complex or by eliminating units through reconfiguration and expansion of individual units for the purpose of expanding the size of the remaining low-income units. For the purpose of this section, "large apartment complex" means two or more adjacent buildings containing a total of 100 or more units per complex.

Sec. 10. Minnesota Statutes 1992, section 504.33, subdivision 5, is amended to read:

Subd. 5. **LOW-INCOME HOUSING.** (a) "Low-income housing" means either:

(1) rental housing with a rent less than or equal to 30 percent of 50 percent of the median income for the county in which the rental housing is located, adjusted by size; or

(2) rental housing occupied by households with income below 30 percent of

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the median for the metropolitan area as defined in section 473.121, subdivision 2, adjusted by size.

(b) "Low-income housing" also includes rental housing that has been vacant for less than two years, that was low-income housing when it was last occupied, and that is not condemned as being unfit for human habitation by the applicable government unit.

Sec. 11. Minnesota Statutes 1992, section 504.33, subdivision 7, is amended to read:

Subd. 7. **REPLACEMENT HOUSING.** "Replacement housing" means rental housing that is:

(1) the lesser of (i) the number and corresponding size of low-income housing units displaced, or (ii) sufficient in number and corresponding size of those low-income housing units displaced to meet the demand for those units. Notwithstanding subclauses (i) and (ii), if the housing impact statement shows demonstrated need, displaced units may be replaced by fewer, larger units of comparable total size, except that efficiency and single room occupancy units may not be replaced by units of a larger size;

(2) low-income housing for the greater of at least 15 years or the compliance period of the federal low-income housing tax credit under United States Code, title 26, section 42(i)(1), as amended. This section does not prohibit increases in rent to cover operating expenses;

(3) in at least standard condition; and

(4) located in the city where the displaced low-income housing units were located.

Replacement housing may be provided as newly constructed housing, or rehabilitated housing that was previously unoccupied or vacant and in condemnable condition or rent subsidized existing housing that does not already qualify as low-income housing.

Notwithstanding the above requirements, public housing units which are a part of a disposition plan approved by the Department of Housing and Urban Development automatically qualify as replacement housing for public housing units which are displaced.

Sec. 12. Minnesota Statutes 1992, section 504.34, subdivision 1, is amended to read:

Subdivision 1. **ANNUAL REPORT REQUIRED.** A government unit shall prepare ~~an annual~~ a housing impact report either:

(1) for each year in which the government unit displaces ten or more units of low-income housing in a city of the first class as defined in section 410.01; or

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(2) when a specific project undertaken by a government unit for longer than one year displaces a total of ten or more units of low-income housing in a city of the first class as defined in section 410.01.

Sec. 13. Minnesota Statutes 1992, section 504.34, subdivision 2, is amended to read:

Subd. 2. **DRAFT ANNUAL HOUSING IMPACT REPORT.** A government unit subject to this section must prepare a draft annual housing impact report for review and comment by interested persons. The draft report must be completed by January 31 of the year immediately following a year in which the government unit has displaced ten or more units of low-income housing in a city. For a housing impact report required under subdivision 1, clause (2), the draft report must be completed by January 31 of the year immediately following the year in which the government unit has displaced a cumulative total of ten units of low-income housing in a city.

Sec. 14. Minnesota Statutes 1992, section 566.18, subdivision 2, is amended to read:

Subd. 2. **TENANT.** "Tenant" means any person who is occupying a dwelling in a building as defined in subdivision 7, under any agreement, lease, or contract, whether oral or written, and for whatever period of time, which requires the payment of ~~moneys~~ money or exchange of services as rent for the use of the dwelling unit, and all other regular occupants of that dwelling unit, and any resident of a manufactured home park.

Sec. 15. Minnesota Statutes 1992, section 566.18, subdivision 7, is amended to read:

Subd. 7. **BUILDING.** "Building" means:

(a) ~~any~~ a building used in whole or in part as a dwelling, including single family homes, multiple family units such as apartments, and structures containing both dwelling units and units used for nondwelling purposes, and also includes a manufactured home park, or

(b) ~~any~~ an unoccupied building which was previously used in whole or in part as a dwelling and which constitutes a nuisance under section 561.01.

Sec. 16. Laws 1989, chapter 328, article 2, section 17, subdivision 1, is amended to read:

Sec. 17. **HOUSING CALENDAR CONSOLIDATION ~~PILOT~~ PROJECT.**

Subdivision 1. **ESTABLISHMENT.** A ~~three-year pilot~~ project ~~may be~~ is established in the second and fourth judicial districts to consolidate the hearing and determination of matters related to residential rental housing and to ensure continuity and consistency in the disposition of cases.

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Sec. 17. COURT STUDY OF UNLAWFUL DETAINER REPORTS BY TENANT SCREENING SERVICES.

The second and fourth district courts are requested to study data reported in conjunction with unlawful detainer actions in order to assure that accurate and timely information on unlawful detainer proceedings is available for tenant reports. The study must identify ways to report data so that information on the outcome of unlawful detainer proceedings is as readily available, accurate, timely, and as permanent as information on unlawful detainer filings. The study shall also consider the length of time information on unlawful detainer filings and dispositions must be retained by the courts. The courts shall report their findings to the relevant housing committees of the house of representatives and the senate by January 1, 1994. Each district court shall implement the study findings and establish methods to report the outcome and disposition of unlawful detainer actions as soon as the study is completed, but no later than January 1, 1994.

Sec. 18. REPEALER.

Laws 1989, chapter 328, article 2, sections 18 and 19, are repealed.

Sec. 19. EFFECTIVE DATE.

Section 1 is effective August 1, 1993, for new or renewed tenancy beginning on or after August 1, 1993.

Section 8 is effective April 1, 1994.

Sections 16 and 18 are effective the day after final enactment.

Presented to the governor May 17, 1993

Signed by the governor May 20, 1993, 2:15 p.m.

CHAPTER 318—H.F.No. 201

An act relating to elections; providing campaign reform; permitting cities to use mail ballots in city, county, and state elections; limiting noncampaign disbursements to items specified by law; requiring lobbyists and political committees and funds to include their registration number on contributions; prohibiting certain "friends of" committees; requiring reports by certain solicitors of campaign contributions; limiting certain contributions; changing the judicial ballot; regulating related committees; changing expenditure limits; limiting use of contributions carried forward; requiring unused postage to be carried forward as an expenditure; requiring certain notices; changing contribution limits; limiting contributions by political parties; prohibiting transfers from one candidate to another, with certain exceptions; limiting contributions by certain political committees, funds, and individuals; eliminating public subsidies to unopposed candidates; providing for a public matching subsidy; increasing

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