

Sec. 46. REPEALER.

Minnesota Statutes 1996, sections 268.04, as amended by Laws 1997, chapter 66, sections 3 to 9; 268.13, subdivisions 3 and 5; and 268.25; and Minnesota Statutes 1997 Supplement, sections 268.042, subdivision 2; and 268.054, are repealed. Minnesota Statutes 1996, Section 268.08, subdivision 5a, is repealed effective December 31, 1998.

Sec. 47. EFFECTIVE DATE.

Section 1 is effective the day following final enactment. Section 4, subdivision 23, is effective the day following final enactment. Section 24, subdivision 6, is effective the day following final enactment. Section 31 is effective the day following final enactment. Section 36, subdivision 2, paragraph (a), is effective for determinations issued on or after July 1, 1999.

Presented to the governor March 2, 1998

Signed by the governor March 4, 1998, 10:18 a.m.

CHAPTER 266—H.F.No. 2590

An act relating to landlords and tenants; correcting a reference relating to certain civil penalties; providing for interest rates on security deposits; amending Minnesota Statutes 1996, sections 504.183, subdivision 6; and 504.20, subdivision 2.

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

Section 1. Minnesota Statutes 1996, section 504.183, subdivision 6, is amended to read:

Subd. 6. **PENALTY.** If a landlord substantially violates subdivision 2, the tenant is entitled to a penalty which may include a rent reduction up to full rescission of the lease, recovery of any damage deposit less any amount retained under section 504.20, and up to a \$100 civil penalty for each violation. If a landlord violates subdivision 5, the tenant is entitled to up to a \$100 civil penalty for each violation. A tenant shall follow the procedures in sections 566.18 to ~~566.33~~ 566.34 to enforce the provisions of this section.

Sec. 2. Minnesota Statutes 1996, section 504.20, subdivision 2, is amended to read:

Subd. 2. Any deposit of money shall not be considered received in a fiduciary capacity within the meaning of section 82.17, subdivision 7, but shall be held by the landlord for the tenant who is party to the agreement and shall bear simple noncompounded interest at the rate of three percent per annum until May 1, ~~1999~~ 2001, and four percent per annum thereafter, computed from the first day of the next month following the full payment of the deposit to the last day of the month in which the landlord, in good faith, complies with the requirements of subdivision 3 or to the date upon which judgment is entered in any civil action involving the landlord's liability for the deposit, whichever date is earlier. Any interest amount less than \$1 shall be excluded from the provisions of this section.

Presented to the governor March 2, 1998

Signed by the governor March 4, 1998, 10:08 a.m.

New language is indicated by underline, deletions by strikeout.