

A bill for an act
relating to landlord and tenant; prohibiting imposition of a late fee except in
specified circumstances; requiring a receipt for certain rent payments; permitting
a tenant to make emergency repairs; modifying other laws related to a rental
agreement; amending Minnesota Statutes 2008, sections 504B.111; 504B.178,
by adding a subdivision; 504B.385, by adding a subdivision; proposing coding
for new law in Minnesota Statutes, chapter 504B.

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

Section 1. Minnesota Statutes 2008, section 504B.111, is amended to read:

504B.111 WRITTEN LEASE REQUIRED; PENALTY.

(a) A landlord of a residential building with 12 or more residential units must have a
written lease for each unit rented to a residential tenant. Notwithstanding any other state
law or city ordinance to the contrary, a landlord may ask for the tenant's full name and
date of birth on the lease and application. A landlord who fails to provide a lease, as
required under this section, is guilty of a petty misdemeanor.

(b) A landlord of a residential building may not charge a late fee if the payment of
rent is made after the date on which it is due unless the tenant and landlord have agreed in
writing that a fee may be imposed. An agreement allowing for a late fee must provide that
the fee may not be imposed earlier than five days after the rent is due. In no case may the
late fee exceed the amount provided for in section 47.59, subdivision 6, paragraph (a),
clause (4). Any late fee charged or collected may not be considered to be either interest or
liquidated damages. For the purposes of this paragraph, the "due date" does not include a
date earlier than the date contained in the written or oral agreement to lease by which, if
the rent is paid, the tenant earns a discount.

Sec. 2. **[504B.118] RECEIPT FOR RENT.**

A landlord receiving rent or other payments from a tenant by cash or money order shall:

(1) provide a written receipt for payment immediately upon receipt if the payment is made in person; or

(2) provide a written receipt by mail or personal delivery within one business day of receipt if the payment is made by mail.

Sec. 3. Minnesota Statutes 2008, section 504B.178, is amended by adding a subdivision to read:

Subd. 1a. Limitation on security deposit and advance payment of rent. (a) A landlord or landlord's agent may not demand or receive a security deposit or advance payment of rent which, in sum, totals in excess of:

(1) one month's rent if the rental agreement does not permit pets; or

(2) 1-1/4 month's rent if the lease does permit pets and the inclusion of lessee's pets is part of the rental agreement.

(b) A landlord who violates this subdivision is liable to the tenant for the amount of the security deposit plus damages of \$500.

Sec. 4. **[504B.382] TENANT'S RIGHT TO MAKE EMERGENCY REPAIRS.**

Subdivision 1. Right to make repairs and deduct cost from rent. A tenant may make necessary repairs in cases of emergency and deduct the cost of the repairs from rent payments due to the landlord, subject to the requirements of this section. For the purposes of this section, "cases of emergency" means:

(1) the loss of:

(i) running water;

(ii) hot water;

(iii) heat;

(iv) electricity;

(v) sanitary facilities;

(vi) working cooking facilities;

(vii) a working refrigerator; or

(viii) a working elevator;

(2) from June 1 to August 31, a working air conditioner if the air conditioner is included in the lease as provided by the landlord;

(3) any condition that is the responsibility of the landlord to change, remedy, or repair and that violates a provision of state law or municipal code in such a manner that will cause the premises to be:

(i) condemned;

(ii) declared unfit for human habitation; or

(iii) declared unlawfully occupied; and

(4) any repair which, according to a written statement by a person licensed under the laws of Minnesota to practice medicine, is required to avoid a serious medical consequence to an occupant.

Subd. 2. **Notice.** A tenant may deduct from the rent the cost incurred to eliminate the emergency conditions only if the tenant gives 48 hours prior notice to the landlord or landlord's agent of the emergency and of the tenant's intention to make repairs to eliminate the emergency if the landlord fails to make substantial progress within the notice period toward completing the repairs.

Subd. 3. **Restrictions on rights.** (a) A tenant may deduct the cost of necessary repairs from the next payment only if:

(1) the repairs are made in compliance with applicable codes and regulations;

(2) a professional license is required, the repairs are performed by a properly licensed individual; and

(3) the tenant submits with the rent a bill or bills for the cost of materials and labor for the repairs.

(b) The tenant may not deduct the cost of necessary repairs from the next rent payment if the conditions the repairs are necessary to remedy were caused by the willful, malicious, or negligent conduct of the tenant or a person under the direct control of the tenant.

(c) The tenant is liable to the landlord for any damages to the premises caused by the tenant or a person engaged by the tenant to perform the repairs.

(d) A tenant may not assert as a defense to an eviction action or an action for rent that rent was deducted under this section to make necessary repairs unless the tenant complies with all the applicable provisions of this section.

Subd. 4. **Effect on other laws.** The provisions of sections 514.01 to 514.16 do not apply to repairs performed under this section.

Subd. 5. **Waiver not allowed.** Any provision of a lease or other agreement in which the provisions of this section is waived by a residential tenant is contrary to public policy and void.

4.1 Sec. 5. Minnesota Statutes 2008, section 504B.385, is amended by adding a
4.2 subdivision to read:

4.3 Subd. 1a. **Termination of lease.** If the tenant has given the proper notice required,
4.4 and the landlord has not cured the violation after the time period provided, under section
4.5 504B.395, subdivision 4, the tenant may, with seven days' notice, terminate the lease
4.6 without penalty. The termination of a lease under this subdivision does not relieve the
4.7 tenant of liability either for the payment of rent or other sums owed prior to or during the
4.8 notice period, or for the payment of amounts necessary to restore the premises to the
4.9 condition at the commencement of the tenancy, ordinary wear and tear excepted.