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State of Minnesota

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HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 859

- 02/25/2013 Authored by Simon, Allen, Lesch, Paymar, Hornstein and others
The bill was read for the first time and referred to the Committee on Housing Finance and Policy
- 03/12/2014 Adoption of Report: Amended and re-referred to the Committee on Civil Law
- 03/17/2014 Adoption of Report: Re-referred to the Committee on Judiciary Finance and Policy
- 03/28/2014 Adoption of Report: Amended and Placed on the General Register
Read Second Time
- 04/09/2014 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

1.1 A bill for an act
 1.2 relating to housing; landlord and tenant; establishing remedies for victims of
 1.3 violence; establishing a housing opportunities made equitable pilot project;
 1.4 amending Minnesota Statutes 2012, sections 504B.171, subdivision 1; 504B.206;
 1.5 504B.285, subdivision 1.

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

1.7 Section 1. Minnesota Statutes 2012, section 504B.171, subdivision 1, is amended to
 1.8 read:

1.9 Subdivision 1. **Terms of covenant.** (a) In every lease or license of residential
 1.10 premises, whether in writing or parol, the landlord or licensor and the tenant or licensee
 1.11 covenant that:

1.12 (1) neither will:

1.13 (i) unlawfully allow controlled substances in those premises or in the common
 1.14 area and curtilage of the premises;

1.15 (ii) allow prostitution or prostitution-related activity as defined in section 617.80,
 1.16 subdivision 4, to occur on the premises or in the common area and curtilage of the premises;

1.17 (iii) allow the unlawful use or possession of a firearm in violation of section 609.66,
 1.18 subdivision 1a, 609.67, or 624.713, on the premises or in the common area and curtilage
 1.19 of the premises; or

1.20 (iv) allow stolen property or property obtained by robbery in those premises or in the
 1.21 common area and curtilage of the premises; and

1.22 (2) the common area and curtilage of the premises will not be used by either the
 1.23 landlord or licensor or the tenant or licensee or others acting under the control of either to
 1.24 manufacture, sell, give away, barter, deliver, exchange, distribute, purchase, or possess a
 1.25 controlled substance in violation of any criminal provision of chapter 152. The covenant

2.1 is not violated when a person other than the landlord or licensor or the tenant or licensee
 2.2 possesses or allows controlled substances in the premises, common area, or curtilage,
 2.3 unless the landlord or licensor or the tenant or licensee knew or had reason to know of
 2.4 that activity.

2.5 (b) In every lease or license of residential premises, whether in writing or parol, the
 2.6 tenant or licensee covenant that the tenant or licensee will not commit an act enumerated
 2.7 under section 504B.206, subdivision 1, paragraph (a), against a tenant or licensee or
 2.8 any authorized occupant.

2.9 Sec. 2. Minnesota Statutes 2012, section 504B.206, is amended to read:

2.10 **504B.206 RIGHT OF VICTIMS OF ~~DOMESTIC ABUSE~~ VIOLENCE TO**
 2.11 **TERMINATE LEASE.**

2.12 Subdivision 1. **Right to terminate; procedure.** ~~(a) A tenant to a residential lease~~
 2.13 ~~who is a victim of domestic abuse and fears imminent domestic abuse against the tenant~~
 2.14 ~~or the tenant's minor children if the tenant or the tenant's minor children remain in the~~
 2.15 ~~leased premises may terminate a lease agreement without penalty or liability as provided~~
 2.16 ~~in this section. The tenant must provide advance written notice to the landlord stating that~~
 2.17 A tenant to a residential lease may terminate a lease agreement in the manner provided in
 2.18 this section without penalty or liability, if the tenant or another authorized occupant fears
 2.19 imminent violence after being subjected to:

2.20 ~~(1) the tenant fears imminent domestic abuse from a person named in an order~~
 2.21 ~~for protection or no contact order~~ domestic abuse, as that term is defined under section
 2.22 518B.01, subdivision 2;

2.23 ~~(2) the tenant needs to terminate the tenancy; and~~ criminal sexual conduct under
 2.24 sections 609.342 to 609.3451; or

2.25 ~~(3) the specific date the tenancy will terminate~~ stalking, as that term is defined under
 2.26 section 609.749, subdivision 1.

2.27 (b) The tenant must provide signed and dated advance written notice to the landlord:

2.28 (1) stating the tenant fears imminent violence from a person as indicated in a
 2.29 qualifying document against the tenant or an authorized occupant if the tenant or
 2.30 authorized occupant remains in the leased premises;

2.31 (2) stating that the tenant needs to terminate the tenancy;

2.32 (3) providing the date by which the tenant will vacate; and

2.33 (4) providing written instructions for the disposition of any remaining personal
 2.34 property in accordance with section 504B.271.

3.1 ~~(b)~~ (c) The written notice must be delivered before the termination of the tenancy by
3.2 mail, fax, or in person, and be accompanied by ~~the order for protection or no contact order~~
3.3 a qualifying document.

3.4 ~~(e) For purposes of this section, an order for protection means an order issued under~~
3.5 ~~chapter 518B. A no contact order means a no contact order currently in effect, issued~~
3.6 ~~under section 629.75 or chapter 609.~~

3.7 (d) The landlord may request that the tenant disclose the name of the perpetrator and,
3.8 if a request is made, inform the tenant that the landlord seeks disclosure to protect other
3.9 tenants in the building. The tenant may decline to provide the name of the perpetrator for
3.10 safety reasons. Disclosure shall not be a precondition of terminating the lease.

3.11 (e) The tenancy terminates, including the right of possession of the premises, as
3.12 provided in subdivision 3.

3.13 Subd. 2. **Treatment of information.** (a) A landlord must not disclose:

3.14 (1) any information provided to the landlord by a tenant documenting domestic
3.15 abuse in the written notice required under subdivision 1, paragraph (b);

3.16 (2) any information contained in the qualifying document;

3.17 (3) the address or location to which the tenant has relocated; or

3.18 (4) the status of the tenant as a victim of violence.

3.19 (b) The information referenced in paragraph (a) must not be entered into any shared
3.20 database or provided to any person or entity but may be used when required as evidence in
3.21 an eviction proceeding, action for unpaid rent or damages arising out of the tenancy, claims
3.22 under section 504B.178, with the consent of the tenant, or as otherwise required by law.

3.23 Subd. 3. **Liability for rent; termination of tenancy.** (a) A tenant who is a sole
3.24 tenant and is terminating a lease under subdivision 1 is responsible for the rent payment
3.25 for the full month in which the tenancy terminates and an additional amount equal to one
3.26 month's rent. The tenant forfeits all claims for the return of the security deposit under
3.27 section 504B.178 and is relieved of any other contractual obligation for payment of rent or
3.28 any other charges for the remaining term of the lease, except as provided in this section. In
3.29 a sole tenancy, the tenancy terminates on the date specified in the notice provided to the
3.30 landlord as required under subdivision 1.

3.31 (b) In a tenancy with multiple tenants, one of whom is terminating the lease under
3.32 subdivision 1, any lease governing all tenants is terminated at the latter of the end of
3.33 the month or the end of the rent interval in which one tenant terminates the lease under
3.34 subdivision 1. All tenants are responsible for the rent payment for the full month in which
3.35 the tenancy terminates. Upon termination, all tenants forfeit all claims for the return of
3.36 the security deposit under section 504B.178 and are relieved of any other contractual

4.1 obligation for payment of rent or any other charges for the remaining term of the lease,
 4.2 except as provided in this section. Any tenant whose tenancy was terminated under this
 4.3 paragraph may reapply to enter into a new lease with the landlord.

4.4 ~~(b) (c)~~ This section does not affect a tenant's liability for delinquent, unpaid rent
 4.5 or other amounts owed to the landlord before the lease was terminated by the tenant
 4.6 under this section.

4.7 ~~(e) The tenancy terminates, including the right of possession of the premises, on the~~
 4.8 ~~termination date stated in the notice under subdivision 1. The amount equal to one month's~~
 4.9 ~~rent must be paid on or before the termination of the tenancy for the tenant to be relieved of~~
 4.10 ~~the contractual obligations for the remaining term of the lease as provided in this section.~~

4.11 ~~(d) For purposes of this section, the provisions of section 504B.178 are triggered~~
 4.12 ~~as follows:~~

4.13 ~~(1) if the only tenant is the tenant who is the victim of domestic abuse and the~~
 4.14 ~~tenant's minor children, if any, upon the first day of the month following the later of:~~

4.15 ~~(i) the date the tenant vacates the premises; or~~

4.16 ~~(ii) the termination of the tenancy indicated in the written notice under subdivision~~
 4.17 ~~1; or~~

4.18 ~~(2) if there are additional tenants bound by the lease, upon the expiration of the lease.~~

4.19 ~~Subd. 4. **Multiple tenants.** Notwithstanding the release of a tenant from a lease~~
 4.20 ~~agreement under this section, if there are any remaining tenants the tenancy continues for~~
 4.21 ~~those remaining tenants.~~

4.22 ~~Subd. 5. **Waiver prohibited.** A residential tenant may not waive, and a landlord~~
 4.23 ~~may not require the residential tenant to waive, the tenant's rights under this section.~~

4.24 ~~Subd. 6. **Definition Definitions.** For purposes of this section, "domestic abuse"~~
 4.25 ~~has the meaning given in section 518B.01, subdivision 2 the following terms have the~~
 4.26 ~~meanings given:~~

4.27 ~~(1) "court official" means a judge, referee, court administrator, prosecutor, probation~~
 4.28 ~~officer, or victim's advocate, whether employed by or under contract with the court, who is~~
 4.29 ~~authorized to act on behalf of the court;~~

4.30 ~~(2) "qualified third party" means a person, acting in an official capacity, who has had~~
 4.31 ~~in-person contact with the tenant and is:~~

4.32 ~~(i) a licensed health care professional operating within the scope of the license;~~

4.33 ~~(ii) a domestic abuse advocate, as that term is defined in section 595.02, subdivision~~
 4.34 ~~1, paragraph (l); or~~

4.35 ~~(iii) a sexual assault counselor, as that term is defined in section 595.02, subdivision~~
 4.36 ~~1, paragraph (k);~~

5.1 (3) "qualifying document" means:

5.2 (i) a valid order for protection issued under chapter 518B;

5.3 (ii) a no contact order currently in effect, issued under section 629.75 or chapter 609;

5.4 (iii) a writing produced and signed by a court official, acting in an official capacity,

5.5 documenting that the tenant or authorized occupant is a victim of domestic abuse, as that

5.6 term is defined under section 518B.01, subdivision 2, criminal sexual conduct, under

5.7 sections 609.342 to 609.3451, or stalking, as that term is defined under section 609.749,

5.8 subdivision 1, and naming the perpetrator, if known;

5.9 (iv) a writing produced and signed by a city, county, state, or tribal law enforcement

5.10 official, acting in an official capacity, documenting that the tenant or authorized occupant

5.11 is a victim of domestic abuse, as that term is defined under section 518B.01, subdivision 2,

5.12 criminal sexual conduct, under sections 609.342 to 609.3451, or stalking, as that term is

5.13 defined under section 609.749, subdivision 1, and naming the perpetrator, if known; or

5.14 (v) a statement by a qualified third party, in the following form:

5.15 STATEMENT BY QUALIFIED THIRD PARTY

5.16 I, (name of qualified third party), do hereby verify as follows:

5.17 1. I am a licensed health care professional, domestic abuse advocate, as that term is

5.18 defined in section 595.02, subdivision 1, paragraph (l), or sexual assault counselor, as that

5.19 term is defined in section 595.02, subdivision 1, paragraph (k), who has had in-person

5.20 contact with (name of victim(s)).

5.21 2. I have a reasonable basis to believe (name of victim(s)) is a

5.22 victim/are victims of domestic abuse, criminal sexual conduct, or stalking and fear(s)

5.23 imminent violence against the individual or authorized occupant if the individual remains

5.24 (the individuals remain) in the leased premises.

5.25 3. I understand that the person(s) listed above may use this document as a basis for

5.26 gaining a release from the lease.

5.27 I attest that the foregoing is true and correct.

5.28 (Printed name of qualified third party)

5.29 (Signature of qualified third party)

5.30 (Business address and business telephone)

5.31 (Date)

5.32 Subd. 7. **Conflicts with other laws.** If a federal statute, regulation, or handbook

5.33 permitting termination of a residential tenancy subsidized under a federal program

5.34 conflicts with any provision of this section, then the landlord must comply with the federal

5.35 statute, regulation, or handbook.

6.1 Sec. 3. Minnesota Statutes 2012, section 504B.285, subdivision 1, is amended to read:

6.2 Subdivision 1. **Grounds.** (a) The person entitled to the premises may recover
6.3 possession by eviction when:

6.4 (1) any person holds over real property:

6.5 (i) after a sale of the property on an execution or judgment; or

6.6 (ii) after the expiration of the time for redemption on foreclosure of a mortgage, or
6.7 after termination of contract to convey the property;

6.8 (2) any person holds over real property after termination of the time for which it is
6.9 demised or leased to that person or to the persons under whom that person holds possession,
6.10 contrary to the conditions or covenants of the lease or agreement under which that person
6.11 holds, or after any rent becomes due according to the terms of such lease or agreement; or

6.12 (3) any tenant at will holds over after the termination of the tenancy by notice to quit.

6.13 (b) A landlord may not commence an eviction action against a tenant or authorized
6.14 occupant solely on the basis that the tenant or authorized occupant has been the victim of
6.15 any of the acts listed in section 504B.206, subdivision 1, paragraph (a). Nothing in this
6.16 paragraph should be construed to prohibit an eviction action based on a breach of the lease.

6.17 Sec. 4. **HOUSING OPPORTUNITIES MADE EQUITABLE (HOME) PILOT**
6.18 **PROJECT.**

6.19 (a) The Housing Opportunities Made Equitable (HOME) pilot project is established to
6.20 support closing the disparity gap in affordable homeownership for all communities of color
6.21 and American Indians in Minnesota and increase housing opportunities for specific groups
6.22 while closing the disparity gap that exists in Minnesota. The pilot project may also support
6.23 the redevelopment and rebuilding of challenged neighborhoods affected by the foreclosure
6.24 crisis. The Minnesota Housing Finance Agency shall collaborate with the Chicano Latino
6.25 Affairs Council, Council on Asian-Pacific Minnesotans, Council on Black Minnesotans,
6.26 and Minnesota Indian Affairs Council in designing the implementation of the pilot project.

6.27 (b) If funds are available to the Minnesota Housing Finance Agency, the
6.28 commissioner may use the available funds to: support the capacity of several local
6.29 community nonprofit housing and service providers to administer the HOME pilot
6.30 project under this section, to support providers that assist families to attain sustainable,
6.31 affordable homeownership as described in paragraph (c) and to make first mortgage loans
6.32 as described in paragraph (d).

6.33 (c) Assistance to attain sustainable affordable homeownership may include
6.34 long-term financial education, training, case management, credit mending, homebuyer
6.35 education, and foreclosure prevention mitigation services. The Minnesota Housing

7.1 Finance Agency shall choose providers of the assistance described in this paragraph that
7.2 have proven track records of assisting culturally diverse groups of people with long-term
7.3 education services and that have historically resulted in sustainable affordable housing
7.4 opportunities for culturally diverse groups.

7.5 (d) Funds may be used to make first mortgage financing to homebuyers who have the
7.6 financial resources to pay a mortgage but are unable to access a mortgage that meets their
7.7 needs. The mortgage loans will be originated by qualified providers. A qualified provider is
7.8 a provider that has a proven track record of assisting culturally diverse groups of people in
7.9 attaining sustainable affordable homeownership and that, at a minimum, is in good standing
7.10 with the Minnesota Department of Commerce, is licensed to originate mortgage loans, and
7.11 has demonstrated an ability to underwrite to FHA or conventional underwriting guidelines.
7.12 Qualified providers may be paid an origination fee, service release premium and a standard
7.13 fee set in order to expand capacity to assist more families with purchasing a home.