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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 12

01/07/2021 Authored by Hausman; Howard; Olson, L.; Frazier; Noor and others
The bill was read for the first time and referred to the Committee on Housing Finance and Policy

1.1 A bill for an act
1.2 relating to housing; amending certain eviction procedures during and after a public
1.3 health emergency; allowing for expungement of certain eviction actions filed
1.4 during and after a public health emergency; preventing home foreclosure during
1.5 and after a public health emergency; appropriating money for emergency housing
1.6 assistance grants during the peacetime emergency related to COVID-19.

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

1.8 Section 1. EVICTION NOTICE AND LATE FEES; STATE OF EMERGENCY.

1.9 (a) Before bringing an eviction action upon the conclusion of the peacetime emergency
1.10 declared in Executive Order 20-01 and the termination of Executive Order 20-79 and the
1.11 termination of any similar federal eviction suspension impacting Minnesota, a landlord must
1.12 provide a 60-day written notice to the residential tenant specifying the basis for a future
1.13 eviction action. For 60 days after the end of the peacetime emergency, residential landlords
1.14 must not issue notices of termination of lease or nonrenewal of lease or terminate residential
1.15 leases during the pendency of the peacetime emergency. No late fees may be assessed by
1.16 the landlord during the 60-day notice period required in this section. This section does not
1.17 apply to the nonrenewal of a lease or an eviction based on the following circumstances:

- 1.18 (1) the tenant seriously endangers the safety of other residents;
1.19 (2) the tenant violates Minnesota Statutes, section 504B.171, subdivision 1;
1.20 (3) the tenant remains in the property past the vacate date after receiving a notice to
1.21 vacate or nonrenewal; or
1.22 (4) the tenant materially violates a residential lease by the following actions on the
1.23 premises, including the common area and the curtilage of the premises:

2.1 (i) seriously endangers the safety of others; or

2.2 (ii) significantly damages property.

2.3 (b) For an allegation of nonpayment of rent or other unpaid financial obligations in
2.4 violation of the lease, the landlord must include the following in a written notice:

2.5 (1) the total amount due;

2.6 (2) a specific itemized accounting of the amount of the total due that is comprised of
2.7 unpaid rents or other charges under the lease, including any rent amounts expected to be
2.8 due during that 60-day period; and

2.9 (3) the name and address of the person authorized to receive rent and fees on behalf of
2.10 the landlord.

2.11 (c) A notice provided under this section must:

2.12 (1) provide a statement that a residential tenant may be eligible for financial assistance
2.13 from the county, state, or federal government;

2.14 (2) provide a description on how to access legal and financial assistance through the
2.15 "Law Help" website at www.lawhelpmn.org and "Minnesota 211" through its website at
2.16 www.211unitedway.org or by calling 211; and

2.17 (3) state that the landlord may bring an eviction action following expiration of the 60-day
2.18 notice period if the residential tenant fails to pay the total amount due or fails to vacate.

2.19 (d) The landlord or an agent of the landlord must deliver the notice personally or by first
2.20 class mail to the residential tenant at the address of the leased premises.

2.21 (e) If the residential tenant fails to correct the rent delinquency or other unpaid financial
2.22 obligation in violation of the lease within 14 days of the delivery or fails to vacate, the
2.23 landlord may bring an eviction action based on the nonpayment of rent.

2.24 (f) Receipt of a notice under this section is an emergency situation under Minnesota
2.25 Statutes, section 256D.06, subdivision 2, and Minnesota Rules, chapter 9500. For purposes
2.26 of Minnesota Statutes, chapter 256J, and Minnesota Rules, chapter 9500, a county agency
2.27 verifies an emergency situation by receiving and reviewing a notice under this section. A
2.28 verbal statement by the residential tenant to the county agency that the residential tenant
2.29 received such a notice shall presume the residential tenant's eligibility for assistance. If a
2.30 residential tenant applies for financial assistance from the county, state, or federal
2.31 government, the landlord must cooperate with the application process by:

3.1 (1) supplying all information and documentation requested by the residential tenant or
3.2 the county; and

3.3 (2) accepting or placing into escrow partial rent payments where necessary to establish
3.4 a residential tenant's eligibility for assistance.

3.5 (g) If applicable, the person filing a complaint must attach a copy of the written notice
3.6 described in paragraph (a). The court shall dismiss an action without prejudice for failure
3.7 to provide a notice as described in paragraph (b) and grant an expungement of the eviction
3.8 case court file.

3.9 (h) Nothing in this section reduces the rent owed by the tenant to the landlord, prevents
3.10 the landlord from collecting rent owed, reduces arrears owed by a tenant for rent, or alters
3.11 the terms of the lease between the landlord and tenant.

3.12 (i) Upon a finding that the plaintiff has violated a provision of this section, the court
3.13 must dismiss and expunge the action and may not require the residential tenant as defined
3.14 in Minnesota Statutes, section 504B.001, subdivision 12, to pay any filing fee.

3.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.16 **Sec. 2. FORECLOSURE; STATE OF EMERGENCY.**

3.17 Prior to the expiration of the public health emergency, and for 60 days after the expiration
3.18 of a public health emergency, no notice of a pendency for a foreclosure by advertisement
3.19 may be recorded and no action may commence under Minnesota Statutes, chapter 580 or
3.20 581, and no vendor may terminate a contract for deed except for an action necessary to
3.21 protect holders of bonds issued under Minnesota Statutes, chapter 462A. Nothing in this
3.22 section alters the payments owed; any other obligations under the mortgage, common interest
3.23 community bylaws, or contract for deed; or the pledge made by the state to holders of bonds
3.24 issued under Minnesota Statutes, chapter 462A. For purposes of this section, "public health
3.25 emergency" means the peacetime emergency declared by the governor on March 13, 2020,
3.26 in Executive Order 20-01 in response to COVID-19 or any other peacetime emergency
3.27 declared by the governor by an executive order that relates to the infectious disease known
3.28 as COVID-19.

3.29 **EFFECTIVE DATE.** This section is effective the day following final enactment and
3.30 applies to actions taken on or after that date.

4.1 **Sec. 3. APPROPRIATION; 2021 EMERGENCY HOUSING ASSISTANCE GRANTS.**

4.2 (a) \$50,000,000 in fiscal year 2021 is appropriated from the general fund to the
4.3 commissioner of the Minnesota Housing Finance Agency for transfer to the housing
4.4 development fund for emergency housing assistance grants. Notwithstanding the requirements
4.5 of Minnesota Statutes, sections 16B.98 and 16C.06, and applicable policies, the agency
4.6 may use grantees of the COVID Housing Assistance Program that were funded with federal
4.7 CARES Act resources and those grantees are approved to distribute money under this
4.8 section. If necessary, the commissioner of the Minnesota Housing Finance Agency may
4.9 distribute money to other entities including counties, cities, nonprofit organizations, tribes,
4.10 or other entities the agency identifies to fulfill the purposes of this section.

4.11 (b) Grants under this section shall be awarded to individuals, families, and homeowners
4.12 in Minnesota to prevent homelessness and help maintain homeownership during the
4.13 peacetime emergency declared by the governor in an executive order that relates to the
4.14 infectious disease known as COVID-19. To be eligible for funding, applicants must:

4.15 (1) have a rent payment, mortgage payment, homeowner association dues, lot rent due
4.16 to a manufactured home park, contract for deed payment, homeowner insurance payment,
4.17 property tax payment, or utility payment, including internet services, with a due date of
4.18 March 1, 2020, or later, or have another expense that is needed to maintain housing as
4.19 determined by the agency;

4.20 (2) be unable to pay as a direct or indirect result of the public health emergency; and

4.21 (3) be a household with a current gross income at or below 200 percent of the federal
4.22 poverty guidelines.

4.23 (c) The financial assistance provided for an individual or family must not exceed the
4.24 amount needed to maintain housing.

4.25 (d) Grants under this section must be paid directly to:

4.26 (1) the landlord or leasing agent for a rental unit;

4.27 (2) the financial service for a mortgage or the entity who owns the mortgage for a
4.28 homeowner;

4.29 (3) the contract for deed vendor or seller;

4.30 (4) the purchase-money mortgagor;

4.31 (5) the manufactured home park cooperative, manufactured home owner, or park owner;

4.32 (6) the utility company or internet service provider; or

5.1 (7) any other identified entity to whom payment is owed.

5.2 (e) In addition to the grants to individuals and families provided under paragraph (b),
5.3 funding under this section may also be used to provide assistance to housing providers who
5.4 have lost rental income due to their low- or moderate-income tenants being impacted by
5.5 COVID-19. Eligible expenses include unpaid rents, rental unit utility costs, and other housing
5.6 expenses as determined by the agency, incurred on or after March 1, 2020. For purposes of
5.7 this paragraph, low- or moderate-income tenants has the meaning given in Minnesota
5.8 Statutes, section 462A.03, subdivision 10.

5.9 (f) Notwithstanding any other provision of law or policy, the commissioner may develop
5.10 and administer an application, award, and disbursement process for the program that takes
5.11 into account the emergency state of the needs these funds are intended to address and a
5.12 procedure to oversee and monitor grantees.

5.13 (g) Housing providers and landlords who receive payment under this section must not:

5.14 (1) file an eviction action against the tenant for six months after a grant payment is
5.15 received under this section;

5.16 (2) fail to renew a lease for six months after a unit received funding under this section;

5.17 or

5.18 (3) raise the rent for a tenant that receives rent under this section.

5.19 (h) For purposes of this section, "public health emergency" has the meaning given in
5.20 section 2.

5.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.