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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

NINETY-THIRD SESSION

**H. F. No. 685**

01/23/2023 Authored by Agbaje, Howard, Norris, Reyer, Hassan and others  
The bill was read for the first time and referred to the Committee on Housing Finance and Policy  
02/02/2023 Adoption of Report: Re-referred to the Committee on Judiciary Finance and Civil Law  
02/13/2024 By motion, recalled and re-referred to the Committee on Housing Finance and Policy  
03/11/2024 Adoption of Report: Amended and re-referred to the Committee on Judiciary Finance and Civil Law  
04/11/2024 Adoption of Report: Amended and re-referred to the Committee on Housing Finance and Policy  
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration

1.1 A bill for an act  
1.2 relating to housing; restricting residential rentals by corporate home owners;  
1.3 establishing a statewide landlord database; proposing coding for new law in  
1.4 Minnesota Statutes, chapters 462A; 500; 504B.

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

1.6 Section 1. 462A.45 STATEWIDE LANDLORD DATABASE.

1.7 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this  
1.8 subdivision have the meanings given.

1.9 (b) "Landlord" has the meaning given in section 504B.001, subdivision 7.

1.10 (c) "Residential building" has the meaning given in section 504B.001, subdivision 11.

1.11 (d) "Tenant" has the meaning given to "residential tenant" in section 504B.001,  
1.12 subdivision 12.

1.13 Subd. 2. **Statewide landlord database.** The commissioner of the Housing Finance  
1.14 Agency, in consultation with the secretary of state and the Department of Commerce, shall  
1.15 create a statewide landlord database that collects and retains the information required in  
1.16 this section. The agency must not charge a fee to a landlord for annually submitting  
1.17 information to the database. Access to the database must be at no cost and the information  
1.18 submitted must be accessible to the public through a public website that can be searched  
1.19 by a public user. The database must allow tenants and prospective tenants to report rental  
1.20 units or landlords who cannot be found in the database.

2.1 Subd. 3. **Landlord database; annual submissions.** (a) Before renting a rental unit in  
2.2 a residential building in the state or within 30 days of renting a rental unit in the state, a  
2.3 landlord must provide the following information to the statewide landlord database:

2.4 (1) the complete legal names of the owners of the residential building where the rental  
2.5 property is located and, if the property is owned by a company or group of investors, the  
2.6 complete legal names of each natural person who has an economic interest in the residential  
2.7 building;

2.8 (2) the business address of each natural person who owns an interest in the property;

2.9 (3) the name, address, and contact information for the landlord or manager of the property;

2.10 (4) the rent for each residential rental unit on the first day that the property is rented or  
2.11 on January 1 of the year of the filing for a renewal; and

2.12 (5) if the rental unit or the residential building has a rental license, the date of issue,  
2.13 expiration, and jurisdiction issuing the license.

2.14 (b) A landlord must annually update a submission for each rental unit or residential  
2.15 building that the landlord is renting by February 1 or, if a unit is vacant, before or during  
2.16 the first 30 days that the rental unit is occupied.

2.17 (c) A landlord who fails to comply with this subdivision is subject to penalties under  
2.18 subdivision 4.

2.19 Subd. 4. **Enforcement.** (a) A tenant who is unable to locate a property or property owner  
2.20 in the statewide landlord database shall notify the Housing Finance Agency that the landlord  
2.21 or unit could not be found, and the tenant must provide their contact information, the unit  
2.22 address, and the contact information for the landlord. The Housing Finance Agency must  
2.23 send a letter to the landlord with information on the database and notice that the landlord  
2.24 must provide the landlord's annual submission to the database within 30 days of the date  
2.25 that the landlord received notice of the letter. The Housing Finance Agency must send the  
2.26 tenant a copy of the letter. An enforcement action under paragraph (b) may not be brought  
2.27 until 31 days after the date of the letter sent under this paragraph.

2.28 (b) The attorney general may enforce this section. The court may award a civil penalty  
2.29 of up to \$5,000 if the court finds that the landlord has repeated knowing and willful violations  
2.30 of this section.

3.1 Sec. 2. [500.35] SINGLE-FAMILY HOME RENTALS; CORPORATE  
3.2 RESTRICTIONS.

3.3 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have  
3.4 the meanings given.

3.5 (b) "Corporate owner" includes any person, partnership, company, corporation, or  
3.6 organization. Corporate owner does not include an individual who is a natural person, a  
3.7 married couple, or a trust for the benefit of a natural person, married couple, or a trust where  
3.8 the majority of the beneficiaries are related by law.

3.9 (c) "Residential tenant" has the meaning given in section 504B.001, subdivision 12.

3.10 Subd. 2. Single-family home rentals restricted. (a) The corporate owner of a  
3.11 single-family home is prohibited from renting the home out to a residential tenant when:

3.12 (1) the owner has a property interest in ten or more single-family nonhomestead properties  
3.13 that have a current residential tenant, or are available for rent or have been rented within  
3.14 the last 12 months by a residential tenant; and

3.15 (2) the owner is not a named exception to this restriction under subdivision 3.

3.16 (b) The individual owner of a single-family home is prohibited from renting the home  
3.17 to a residential tenant when the owner has a property interest in 20 or more single-family  
3.18 nonhomestead properties that have a current residential tenant, or are available for rent or  
3.19 have been rented within the last 12 months by a residential tenant and the owner is not a  
3.20 named exception to this restriction under subdivision 3.

3.21 (c) For the purposes of this section, a "single-family home" is a single home and does  
3.22 not include a duplex, triplex, or fourplex.

3.23 (d) "Homestead" has the meaning given in chapter 273. A property that is classified as  
3.24 class 1a under section 273.13, subdivision 22, is an exempt property and should not be  
3.25 counted as a property under paragraph (a), clause (1).

3.26 Subd. 3. Exceptions; exemptions. (a) The owner or corporate owner of a single-family  
3.27 home is exempt from the residential rental restriction in subdivision 2, if the owner is:

3.28 (1) a local, state, or federal unit of government, including a state or federal agency;

3.29 (2) a land trust as defined by section 462A.31;

3.30 (3) a nonprofit as defined by chapter 317A;

3.31 (4) the owner of a home licensed under chapter 245D;

4.1 (5) an employer and the home is a home rented by the employer to an employee;

4.2 (6) a corporation primarily engaged in housing development through the construction  
4.3 and rehabilitation of single-family residences; or

4.4 (7) a sheriff certificate mortgage note holder that owns the single-family residences  
4.5 through foreclosure.

4.6 (b) If a person who is renting a single-family home as a short-term rental for less than  
4.7 30 days and is in compliance with any state and local regulations governing short-term  
4.8 rentals, then that home is not considered a residential tenancy for the purposes of this section.

4.9 (c) An owner or a corporate owner may apply for an exemption from subdivision 2 with  
4.10 the commissioner of the Housing Finance Agency. The commissioner may issue an  
4.11 exemption if (1) the exemption to the corporate owner would not have an impact upon the  
4.12 availability of affordable housing, and (2) the exemption does not limit the supply of  
4.13 affordable, safe single-family homes available to purchasers who plan to be owner-occupants.  
4.14 The commissioner shall have 60 days from the time an application for exemption is filed  
4.15 to determine if the exemption shall be granted. The corporate owner may make a request  
4.16 for reconsideration if the application has been denied and the commissioner or their appointee  
4.17 must meet with the corporate owner within ten days of the request for reconsideration and  
4.18 make a determination on that request within 20 days of the request. The agency may charge  
4.19 a reasonable fee to process applications for exemptions and renewals of exemptions under  
4.20 this section. Each corporate owner that is issued an exemption under this section must file  
4.21 an annual request to continue the exemption. The agency shall grant the request if the  
4.22 applicant continues to meet the criteria. If a corporate owner fails to meet the criteria, the  
4.23 commissioner shall withdraw the exemption and the corporate owner is subject to  
4.24 enforcement proceedings under subdivision 4.

4.25 (d) The commissioner shall submit a report with a list of each corporate owner that is  
4.26 issued an exemption under this paragraph to the chairs and ranking minority members of  
4.27 the senate and house of representatives housing policy committees by October 1 of each  
4.28 year.

4.29 Subd. 4. **Enforcement.** (a) If the attorney general or a local government has reason to  
4.30 believe that a corporate owner has violated this section, or has taken substantial steps to  
4.31 purchase real property with the intent to rent that property in violation of subdivision 2,  
4.32 then the attorney general shall commence an action in the district court in which any real  
4.33 property related to the violation is situated.

5.1 (b) If the court finds that the business entity violated subdivision 2, it shall award a  
5.2 \$100,000 civil fine for each single-family home rented in excess of the amount allowed  
5.3 under this section, as well as court costs and attorney fees. Civil fines collected pursuant to  
5.4 this section shall be deposited in the workforce and affordable homeownership development  
5.5 program.

5.6 (c) The parties may agree to a settlement that allows the sale of an earlier acquired rental  
5.7 property owned by a corporate owner in violation of this section.

5.8 **EFFECTIVE DATE.** This section is effective August 1, 2024. Corporate owners who  
5.9 own more than ten residential rental properties shall have two years to divest of properties  
5.10 in violation of this section from the date of enactment.

5.11 **Sec. 3. [504B.112] OWNERSHIP DISCLOSURE.**

5.12 A landlord must disclose to a tenant in writing the name and contact information for all  
5.13 parties with any interest in the real property subject to the lease.