

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 1301

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DATE	D-PG	OFFICIAL STATUS
03/02/2015	505	Introduction and first reading Referred to Commerce

1.1 A bill for an act
 1.2 relating to commerce; prohibiting certain practices relating to property
 1.3 management; providing remedies; proposing coding for new law in Minnesota
 1.4 Statutes, chapter 325E.

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

1.6 Section 1. **[325E.67] PROPERTY MANAGEMENT.**

1.7 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this
 1.8 section.

1.9 (b) "Owner" means a person who has any legal or equitable interest in the real
 1.10 property.

1.11 (c) "Person" means an individual, firm, partnership, limited liability company,
 1.12 corporation, or association.

1.13 (d) "Property manager" or "property management company" means a person who
 1.14 engages in the business of managing real property that is owned by another person.

1.15 Subd. 2. **Prohibition of ownership of certain firms.** No property manager
 1.16 or property management company shall have an interest directly or indirectly in a
 1.17 construction firm, salvage firm, or appraisal firm. Firm includes a corporation, partnership,
 1.18 association, or individual firm.

1.19 Subd. 3. **Prohibited practices.** Unless consented to in writing by the owner or
 1.20 owners, no property manager or property management company shall request or accept
 1.21 money, rebates, or anything of value from a construction firm, salvage firm, or appraisal
 1.22 firm as:

1.23 (1) an inducement to refer business or clients to the firm;

1.24 (2) a condition for awarding a contract to the firm;

2.1 (3) part of a fee specified in a contract; or

2.2 (4) fee splitting for services rendered, unless the other person is also a licensed
2.3 contractor.

2.4 Subd. 4. **Remedies.** If a property manager or property management company
2.5 violates this section, an owner may bring an action against the property manager or
2.6 property management company in a court of competent jurisdiction for damages sustained
2.7 by the owner as a consequence of the property manager or property management company's
2.8 violation, together with the actual costs of the action, including reasonable attorney fees.
2.9 The remedies in this section are in addition to any other remedies permitted by law.