

March 9, 2023

Chair Port and Members of the Senate Housing and Homelessness Prevention Committee:

Thank you for the opportunity to provide written testimony on the A-2 delete everything amendment to SF 1298.

Minnesota Realtors® is a statewide business trade association founded in 1919 and has a membership of over 22,000 members working with buyers and sellers of all types of property in every corner of the state.

Minnesota Realtors® (MNR) strongly supports the right of all Minnesotans to own, use, and transfer real property and our members are committed to offering equal professional service to all.

The A-2 amendment proposes significant changes to landlord and tenant law. We are concerned that, overall, the A-2 amendment would interfere with important private property rights and obligations of owners with respect to the use and management of their properties, which could also adversely impact tenants and the rental housing market more broadly.

The A-2 amendment would add to the challenges of owning and managing rental property, which could create a disincentive to developing more multi-family rental property in Minnesota. As any business owner would do, property owners will evaluate how much additional risk to their properties would be associated with these proposed changes and then they would consider appropriate actions to take, including rent increases, to mitigate the risk.

MNR would also like to reiterate concerns we shared previously with the language in Sec. 1 of the A-2 amendment, which would add, "participation in or requirements of a public assistance program," along with a new definition of "public assistance program," to Minn. Stat. 363A.09. This language does not recognize that some government assistance programs may include requirements for property owners that present challenging financial or administrative obligations. When owners encounter financial and administrative challenges that increase costs, they will likely pass those costs onto tenants in the form of rent increases.

We would instead encourage working on making rental assistance programs easier to access and less burdensome to use, for renters and property owners alike, to more effectively meet the needs of both.

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We appreciate the opportunity to provide written testimony on the A-2 delete everything amendment to SF1298 and we stand ready to work with legislators and other stakeholders on these issues as the bill moves forward .

Sincerely,

A handwritten signature in black ink that reads "Paul Eger". The signature is written in a cursive style with a large, prominent "P" and "E".

Paul Eger
Senior Vice President of Governmental Affairs
Minnesota Realtors®