

March 23, 2023

Chair Latz and Members of the Senate Judiciary and Public Safety Committee:

Thank you for the opportunity to provide written testimony on Sen. Oumou Verbeten's SF 1298, the landlord and tenant omnibus bill.

Minnesota Realtors® (MNR) 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.

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.

MNR is concerned that, overall, SF 1298 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. As any business owner would do, rental property owners will evaluate how much additional risk to their properties would be associated with these proposed changes and then they will consider appropriate actions to take, including rent increases, to mitigate the risk.

Among the provisions in the bill, Sections 1-4 would require a property owner to participate in voluntary federal, state, or local housing assistance programs, such as the Section 8 Housing Choice Voucher Program.

MNR would like to share our concerns with Sec. 1-4 of the bill, which would add, "participation in or requirements of a housing assistance program," along with a new definition of "housing assistance program," to Minn. Stat. 363A.09. This language does not recognize that some government housing assistance programs may include requirements for property owners that present challenging financial or administrative obligations. When property owners encounter financial and administrative challenges that increase costs, those costs may be passed onto tenants in the form of rent increases.

We respectfully suggest a better approach to increasing participation by property owners in voluntary programs could be addressed by focusing on programmatic improvements and the development of incentives.

We appreciate the opportunity to provide written testimony on SF 1298 and we look forward to working with Sen. Oumou Verbeten and other stakeholders on these issues as the bill moves forward.

Sincerely,



Paul Eger  
Senior Vice President of Governmental Affairs  
Minnesota Realtors®