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S.F. No. 3571 - New construction delays; tenant remedies

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S.F. 3571 provides tenants with remedies when new construction for rental occupancy is not available for occupancy by the move-in date established in the lease as follows:

- (1) alternative housing provided by the landlord equivalent to the unit identified in the lease;
- (2) reimbursement by the landlord of the total rent paid to mitigate costs of alternative housing secured by the tenant; or
- (3) termination of the lease and a return to the tenant of all amounts paid.

“New construction” includes rehabilitations, additions to a building, and any other physical changes that alter the use or occupancy. The tenant may choose from any of the three options listed above.

Tenants exercising options under clause (1) or (2) must receive reimbursements related to any fees reasonably associated with securing housing (e.g., security deposits, parking fees, and pet fees). Tenants who choose options under clause (1) or (2) may terminate their lease under option (3) if the rental property subject to the lease is not available for occupancy within 90 days of the move-in date established in the lease.

This section may not be waived and must be liberally construed. A violation of this section is a violation of section 504B.161 (covenants of landlord or licensor) and 504B.375 (unlawful exclusion or removal; action for recovery of possession).

Effective date. This section is effective August 1, 2024, and applies to all leases entered into on or after that date.