S.F. No. 3571 – New construction delays; tenant remedies (1st Engrossment)

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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 for the tenant provided by the landlord equivalent to the unit identified in the lease;
(2) payment by cash or check by the landlord to the tenant 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.

Landlords must notify tenants of the available remedies within seven days of learning of the move-in delay but prior to the move-in date. 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.375 (unlawful exclusion or removal; action for recovery of possession). If a landlord violates this section, a tenant may seek recovery under section 504b.231 (damages for ouster); or recover the greater of one month's rent, $1,000, or actual damages, plus reasonable attorney fees and court costs.

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