

Minnesota Legislature Amends Commercial Eviction Law: What Landlords and Tenants Need to Know

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In May 2023, Minnesota passed a historic \$1 billion-dollar investment in housing policy, enacting comprehensive changes to Minnesota Statutes Chapter 504B governing commercial and residential landlord-tenant law. Most provisions take effect on January 1, 2024, and will apply to leases entered into or renewed on or after January 1, 2024. This update addresses changes specific to **commercial real estate**. For those involved in residential leasing, we advise further review of the statutory amendments because many residential landlord-tenant provisions have changed, largely strengthening the rights of tenants.

Below, we outline how the new amendments relevant to commercial leasing incorporate comprehensive changes to court eviction procedures and timelines.

Eviction Timelines

The new legislation overhauls Minn. Stat. § 504B.335, which provides the timeline for trial to proceed following the defendant's answer. In the prior version of § 504B.335, the court was to "hear and decide the action" according to § 504B.341, which allowed a court to continue trial in an eviction action "for no more than six days unless all parties consent to longer" and, in other cases, "for no more than three months[.]"

However, pursuant to the newly passed legislation, § 504B.341 is repealed effective January 1, 2024, and § 504B.335 will be significantly different. Courts will have no specific deadline for trial and

must select a date that allows for a fair, thorough, and timely adjudication of the merits of the case, including the complexity of the matter, the need for the parties to obtain discovery, the need for the parties to ensure the presence of witnesses, the opportunity for the defendant to seek legal counsel and raise affirmative defenses, and any extenuating factors[.]

Importantly, this change means that courts are no longer up against a firm deadline to

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begin trial, assuming that the trial schedule is based on factors delineated in the new § 504B.335 language. Under revisions to section (d) of § 504B.335, a court is also required to give priority to scheduling trials for evictions of *residential* tenants that include allegations that the defendant is “endangering the safety of other residents, or intentionally and seriously damages the property of the landlord or a tenant.” Prior to these revisions, the statute was unclear whether an eviction had to be of a residential tenant for scheduling priority; this priority is now clearly unavailable for commercial evictions.

Bond Requirements

Additionally, a new section (e) is being added to § 504B.335, which limits the circumstances under which the court may require a tenant to post a bond or security. Specifically, the new provision prohibits imposition of a bond or other security unless “the final disposition of the action may be delayed for more than ten days.” The court bases such payment “on the totality of the circumstances” and may not require payment for “any amounts allegedly owed prior to the date of filing of the action,” and the amount “may not exceed the . . . rent that accrues during the pendency of the action.”

Eviction Complaint and Summons

The legislature also amended § 504B.321, which governs procedure for filing and serving an eviction complaint. Newly enacted subdivision 3 outlines required content of an eviction complaint, including:

1. An attachment of the current lease or most recent lease, and any relevant addenda;
2. If the complaint alleges nonpayment of rent, an attachment providing a “detailed, itemized accounting or statement” of the outstanding charges;
3. If the complaint alleges breach of the lease agreement, the complaint must identify the relevant lease clause, nature and date of breaching conduct, and the clause providing a right to evict based on such default.

Newly enacted subdivision 4 provides a detailed list of what the summons must include, at a minimum:

1. The full name of the person against whom the complaint is brought;
2. The date, time, and location of the hearing;
3. Information about the methods for participating in the court appearance;
4. The following statement: “You have the right to seek legal help or request a reasonable accommodation from the court for your hearing. Contact the court as soon as possible if you need an accommodation. If you can’t afford a lawyer, free legal help may be available. Contact Legal Aid or visit www.LawHelpMN.org to know your rights and find your local Legal Aid office”;
5. The following statement: “To apply for financial help, contact your local county or Tribal social services office, apply online at MNBenefits.mn.gov, or call the United Way toll-free information line by dialing 2-1-1 or 800-543-7709”; and
6. Notification that a copy of the complaint is attached and has been filed with the court.

See Laws of Minnesota 2023, ch. 52, sec. 105.

Although the court is responsible for issuing a summons after the filing of an eviction complaint, it is important to confirm compliance with all requirements of filing and service to maintain or defend against the cause of action. The language in subdivision 4(4)-(5) is expansive and is not explicitly limited to residential tenants, so commercial real estate litigators are obligated to comply with these requirements as well.

Defective Filing or Service

Under newly enacted § 504B.321, subdivision 5, courts must dismiss and expunge the record of any action if the landlord fails to comply with the requirements of filing and serving an eviction complaint. Mandated dismissal and expungement is a significant advantage for tenants, and increases the importance for both parties of noting any deficiencies in the complaint or service of process.

Service of the Summons and Complaint

Although not a new requirement, the legislature clarified the language of § 504B.331 to emphasize that the summons and complaint must be served according to its instructions. More importantly, this provision adds a new option to fulfill the affidavit requirement outlined in § 504B.331(d)(1). The signed affidavit, filed by the plaintiff or the plaintiff's attorney, must state that:

1. The defendant cannot be found, or that the plaintiff or the plaintiff's attorney believes that the defendant is not in the state;
2. A copy of the summons has been mailed to the defendant at the defendant's last known address if any is known to the plaintiff, **OR**
3. The plaintiff or plaintiff's attorney has communicated to the defendant that an eviction hearing has been scheduled, including the date, time, and place of the hearing specified in the summons, by at least one form of written communication the plaintiff regularly uses to communicate with the defendant that have a date and time stamp.

See Laws of Minnesota 2023, ch. 52, sec. 106.

Paragraph (iii) provides landlords with a new, more flexible option to provide formal notice to defendant tenants through their typical channels of communication.

Overall, eviction proceedings for commercial leases are experiencing fewer changes than those for residential leases. However, a good understanding of these changes and their effects prior to January 1, 2024 will be important to ensure that eviction proceedings run smoothly under the new amendments.

Dorsey's real estate litigation team represents landlords and tenants of all sizes in commercial leasing disputes in Minnesota and throughout the United States. We are here to answer any questions pertaining to the amendments to the Minnesota statutes governing landlord-tenant relations in both commercial and residential contexts. Please contact one of our attorneys if your business is or may become party to an eviction or

other legal action.