

244.2040. - Security deposits.

(a) *Definitions* . As used in this section, the following words shall mean:

Referral. Written documentation maintained by the landlord that the tenancy of the dwelling unit was coordinated with a non-profit service provider or government agency.

Security deposit. Security deposit has the meaning stated in Minnesota Statutes Section 504B.178.

Single month rent. For a lease in which rent is paid once each month in the same amount, single month rent means that amount. When a tenant's rent is supplemented by a rental subsidy, rent means the total contract rent for the dwelling unit. For a lease in which rent is paid once each period in the same amount but the period is not one (1) month, single month rent means that amount divided by the number of days in the period and then multiplied by thirty (30). For other leases, single month rent means the total amount of rent due under the anticipated length of the lease divided by the number of days in the anticipated length of the lease and then multiplied by thirty (30).

- (b) *Limit on security deposit amount* . No landlord shall demand, charge, accept, or retain from a tenant more than a single month rent as a security deposit. Provided, however, if the lease or other agreement requires the tenant to pay before the tenancy starts or any time prior to the end of the first month of tenancy more than the first installment of rent plus the deposit, then the landlord shall not demand, charge, accept, or retain more than one-half ($\frac{1}{2}$) of a single month rent as a security deposit. In this situation, no landlord shall deny a tenant's request to pay the security deposit in installments over a period of up to three (3) months in installment amounts reasonably requested by the tenant. For dwelling units subject to a referral between the landlord and non-profit service provider or government agency, the maximum security deposit amount is limited to one and a half ($1\frac{1}{2}$) of a single month rent. Any security deposit furnished herein shall be governed by the provisions of Minnesota Statutes Section 504B.178, together with this section.
- (c) *Notice of rights* . Contemporaneously with a landlord's obligation to return the deposit, transfer the deposit, or provide a written statement pursuant to Minnesota Statutes Section 504B.178, a landlord must also deliver to the tenant a written notice of rights under state law and local ordinance regarding security deposits in a form and manner approved by the city.
- (d) *Enforcement* . In addition to any other remedy available at equity or law, failure to comply with the provisions of this section may result in criminal prosecution, adverse rental license action, and/or administrative fines, restrictions, or penalties as provided in chapter 2 of this Code. A notice of violation, as described in section 244.150, shall not be required in order to establish or enforce a violation of this section.
- (e) *Severability* . If any of the parts or provisions of this section or the application thereof to any person or circumstance is held invalid or unconstitutional by a decision of a court of competent jurisdiction, the remainder of this section, including the application of such part or provisions to persons or circumstances other than those to which it is held invalid, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this section are severable.
- (f) *Effective date* . This section shall become effective June 1, 2020. ([Ord. No. 2019-038](#), § 4, 9-13-19, eff. 6-1-20)