

This Document can be made available
in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 1037

February 15, 2007

Authored by Hosch and Hornstein

The bill was read for the first time and referred to the Transportation Finance Division

1.1 A bill for an act
1.2 relating to transportation; establishing reconveyance procedures for real property
1.3 having errors or omissions in the title; amending Minnesota Statutes 2006,
1.4 section 161.442.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2006, section 161.442, is amended to read:

1.7 **161.442 RECONVEYANCE TO FORMER OWNER.**

1.8 Subdivision 1. Authority to reconvey real property. Notwithstanding sections
1.9 161.23, 161.41, 161.411, 161.43, 161.44, or any other statute, the commissioner of
1.10 transportation, with the consent of the owner, may transfer, sell, or convey real property
1.11 including fixtures, and interests in real property including easements, to the owner from
1.12 whom the property was acquired by the state for trunk highway purposes through a pending
1.13 eminent domain action. The transfer of title may be by stipulation, partial dismissal, bill
1.14 of sale, or conveyance. Any resulting change in the state's acquisition must be explained
1.15 in the final certificate for that action. This ~~provision~~ subdivision does not confer on a
1.16 landowner the right to compel a reconveyance without the consent of the commissioner.

1.17 Subd. 2. Required reconveyance of real property. (a) For purposes of this
1.18 subdivision:

1.19 (1) "Defective title" means any defect in a title for real property, whether through
1.20 accident, error, forgery, fraud, or otherwise, including but not limited to encroachments,
1.21 unclear interest in structures or fixtures, improper legal description, improper foreclosure,
1.22 undisclosed interests or liens, errors in tax records, or other errors or omissions.

2.1 (2) "Former owner" means the owner, or owner's surviving spouse, from whom
2.2 real property was acquired by the state for trunk highway purposes, whether through an
2.3 easement, direct purchase, or eminent domain proceeding.

2.4 (b) Upon petition filed by a former owner with the commissioner, the commissioner
2.5 shall investigate and determine, within 60 days, whether real property acquired by the
2.6 commissioner involves a defective title. The petition must specify the property in question
2.7 and be in a form prescribed by the commissioner.

2.8 (c) Notwithstanding subdivision 1, sections 16B.281 to 16B.287, or any other law
2.9 to the contrary, the commissioner shall reconvey and quitclaim to the former owner,
2.10 real property including fixtures, and interests in real property including easements,
2.11 consisting of all, or the relevant portion, of the property that was acquired, if the following
2.12 requirements are met:

2.13 (1) the commissioner has found, following a title investigation under paragraph (b),
2.14 that the real property involves a defective title;

2.15 (2) the reconveyance has the consent of the former owner; and

2.16 (3) the real property was part of a larger tract and the remainder of the tract is still
2.17 owned by the former owner.

2.18 (d) The commissioner shall not charge a fee for a title investigation under
2.19 paragraph (b), and shall not require compensation for real property reconveyed under this
2.20 subdivision. The former owner is responsible for payment of the costs of recording the
2.21 instrument of conveyance.

2.22 (e) Nothing in this subdivision prevents the commissioner, subsequent to the
2.23 reconveyance, from pursuing acquisition of the reconveyed property through direct
2.24 purchase or eminent domain proceedings.

2.25 **EFFECTIVE DATE.** This section is effective the day following final enactment,
2.26 and applies to all real property no matter when the property was acquired by the
2.27 commissioner of transportation.