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State of Minnesota

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HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. **2823**

February 11, 2010

Authored by Jackson

The bill was read for the first time and referred to the Committee on Civil Justice

February 18, 2010

Committee Recommendation and Adoption of Report:

To Pass as Amended

Read Second Time

1.1 A bill for an act
1.2 relating to real property; clarifying certain definitions relating to filing contracts
1.3 for deed; making changes relating to common interest community certificates;
1.4 amending Minnesota Statutes 2009 Supplement, sections 507.235, subdivision
1.5 1a; 508.351, subdivisions 1, 5, 7; 508A.351, subdivisions 1a, 5, 7.

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

1.7 Section 1. Minnesota Statutes 2009 Supplement, section 507.235, subdivision 1a,
1.8 is amended to read:

1.9 Subd. 1a. **Requirements of vendor.** (a) A vendor entering into a contract for deed
1.10 involving residential real property must, contemporaneously with the execution of the
1.11 contract for deed:

1.12 (1) deliver to the vendee a copy of the contract for deed containing original
1.13 signatures in recordable form; and

1.14 (2) pay, or reimburse the vendee for payment of, any delinquent taxes necessary for
1.15 recordation of the contract for deed, unless the contract for deed provides for the vendee to
1.16 pay the delinquent taxes.

1.17 (b) For purposes of this subdivision:

1.18 (1) "contract for deed" ~~has the meaning given in section 559.202, subdivision 2~~
1.19 means an executory contract for the conveyance of residential real property under which
1.20 the seller provides financing for the purchase of the residential real property and under
1.21 which the purchaser does or has a right to go into possession. Contract for deed does
1.22 not include:

1.23 (i) a purchase agreement;

1.24 (ii) an earnest money contract;

1.25 (iii) an exercised option or a lease, including a lease with an option to purchase; or

2.1 (iv) a mortgage, as defined in section 287.01; and

2.2 (2) "residential real property" has the meaning given in section 559.202, subdivision
2.3 2 means real property occupied, or intended to be occupied, by one to four families, if
2.4 the purchaser intends to occupy the real property. Residential real property does not
2.5 include property subject to a family farm security loan or a transaction subject to sections
2.6 583.20 to 583.32.

2.7 **EFFECTIVE DATE.** This section is effective the day following final enactment
2.8 and applies to contracts for deed acknowledged on or after the effective date.

2.9 Sec. 2. Minnesota Statutes 2009 Supplement, section 508.351, subdivision 1, is
2.10 amended to read:

2.11 Subdivision 1. **Condominium declaration.** Prior to recording with the registrar of
2.12 titles of a declaration or bylaws for a condominium, or an amendment to the declaration or
2.13 bylaws, or a supplemental declaration pursuant to section 515B.2-111, a determination
2.14 must be made by an order of court in a proceeding subsequent to initial registration
2.15 or by a written directive of the examiner of titles that the documents comply with the
2.16 requirements of the applicable condominium statute.

2.17 Sec. 3. Minnesota Statutes 2009 Supplement, section 508.351, subdivision 5, is
2.18 amended to read:

2.19 Subd. 5. **Memorials.** The condominium or planned community declaration, bylaws,
2.20 any amendment to the declaration or bylaws; any supplemental declaration pursuant to
2.21 section 515B.2-111; any lien against the common elements in a condominium pursuant to
2.22 chapter 514; any fixture filing pursuant to section 336.9-314 where the financing statement
2.23 describes the common elements in a condominium; any easement on the common elements
2.24 in a condominium pursuant to section 515B.3-102, subsection (a)(9); any instrument
2.25 evidencing the transfer of a special declarant right pursuant to section 515B.3-104; and
2.26 any conveyance or encumbrance of the common elements in a condominium pursuant
2.27 to section 515B.3-112 must be entered as memorials on the CICCT only. The entry of a
2.28 memorial on the CICCT shall have the same effect as if the memorial was entered on the
2.29 certificates of title for the units in the common interest community and on the certificates
2.30 of title for the common elements in a planned community.

2.31 Sec. 4. Minnesota Statutes 2009 Supplement, section 508.351, subdivision 7, is
2.32 amended to read:

3.1 Subd. 7. **Preexisting planned communities.** In the case of a planned community,
3.2 as defined in chapter 515B, existing prior to August 1, 2009, on registered land, for which
3.3 no CICCT has been issued, upon the recording of any amendment to the declaration of
3.4 the planned community, or any supplemental declaration pursuant to section 515B.2-111,
3.5 which identifies the common interest community number of the planned community, the
3.6 registrar shall issue a CICCT, but documents filed prior to the issuance of the CICCT need
3.7 not be entered as memorials on the CICCT. The registrar for no additional fee shall enter
3.8 on the certificate of title for each of the units and for the common elements in the planned
3.9 community the statement specified in subdivision 4.

3.10 Sec. 5. Minnesota Statutes 2009 Supplement, section 508A.351, subdivision 1a,
3.11 is amended to read:

3.12 Subd. 1a. **Condominium declaration.** Prior to recording with the registrar of titles
3.13 of a declaration or bylaws for a condominium, or an amendment to the declaration or
3.14 bylaws, or a supplemental declaration pursuant to section 515B.2-111, a determination
3.15 must be made by an order of court in a proceeding subsequent to initial registration
3.16 or by a written directive of the examiner of titles that the documents comply with the
3.17 requirements of the applicable condominium statute.

3.18 Sec. 6. Minnesota Statutes 2009 Supplement, section 508A.351, subdivision 5, is
3.19 amended to read:

3.20 Subd. 5. **Memorials.** The condominium or planned community declaration,
3.21 bylaws, any amendment to the declaration or bylaws; any supplemental declaration
3.22 pursuant to section 515B.2-111; any lien against the common elements in a condominium
3.23 pursuant to chapter 514; any fixture filings pursuant to section 336.9-314 where the
3.24 financing statement describes the common elements in a condominium; any easement on
3.25 the common elements in a condominium pursuant to section 515B.3-102, subsection
3.26 (a)(9); any instrument evidencing the transfer of a special declarant right pursuant to
3.27 section 515B.3-104; and any conveyance or encumbrance of the common elements in a
3.28 condominium pursuant to section 515B.3-112 must be entered as memorials on the CICCT
3.29 only. The entry of a memorial on the CICCT shall have the same effect as if the memorial
3.30 were entered on the certificates of title for the units in the common interest community
3.31 and on the certificates of title for the common elements in a planned community.

3.32 Sec. 7. Minnesota Statutes 2009 Supplement, section 508A.351, subdivision 7, is
3.33 amended to read:

4.1 Subd. 7. **Preexisting planned communities.** In the case of a planned community,
4.2 as defined in chapter 515B, existing prior to August 1, 2009, on registered land, for which
4.3 no CICCT has been issued, upon the recording of any amendment to the declaration of
4.4 the planned community, or any supplemental declaration pursuant to section 515B.2-111,
4.5 which identifies the common interest community number of the planned community, the
4.6 registrar shall issue a CICCT, but documents filed prior to the issuance of the CICCT need
4.7 not be entered as memorials on the CICCT. The registrar for no additional fee shall enter
4.8 on the certificate of title for each of the units and for the common elements in the planned
4.9 community the statement specified in subdivision 4.