(2) delegation of prescribing, administering, or dispensing of legend drugs, controlled substances, or medical devices.

Presented to the governor April 23, 2001

Signed by the governor April 26, 2001, 10:24 a.m.

CHAPTER 50-H.F.No. 239

An act relating to real property; clarifying law relating to servitudes created by a common owner of multiple pieces of property; providing for filing of an amended application to register land; authorizing attorney general to represent state in certain torrens proceedings; providing for issuance of certificates of title for common elements in a condominium; permitting owners of certain land to request new certificates of title; modifying certificates of possessory title; modifying Minnesota Common Interest Ownership Act; exempting registered/torrens land from the 40 year law; amending Minnesota Statutes 2000, sections 508.09; 508.16, subdivision 1; 508.421, by adding a subdivision; 508.82, subdivision 1; 508A.01, subdivision 2; 508A.08; 508A.09; 508A.10; 508A.11, subdivisions 1 and 2; 508A.17, subdivision 1; 508A.22, subdivisions 1 and 3; 508A.25; 508A.35; 508A.351, by adding subdivisions; 508A.421, by adding a subdivision; 508A.82, subdivision 1; 508A.85, subdivision 4; 515B.1-116; 515B.3-104; 515B.3-117; and 541.023, subdivisions 1, 2, 4, 6, 7, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 507; 508; and 508A; repealing Minnesota Statutes 2000, sections 508.71, subdivision 7; 508A.22, subdivision 2; 508A.27; and 508A.351, subdivision 1.

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

Section 1. [507.47] CREATION OF SERVITUDES BY COMMON OWNER.

An easement, condition, restriction, or other servitude that is imposed on real property by a recorded instrument and is not in violation of law or public policy, is valid notwithstanding the common ownership, when the easement, condition, restriction, or other servitude is imposed, of any of the real property burdened or benefited by the easement, condition, restriction, or other servitude. A conveyance of all or any portion of the real property includes the benefits and burdens of all easements, conditions, restrictions, or other servitudes validated under this section, except as provided by sections 500.20 and 541.023. The common law doctrine of merger, and not this section, applies whenever, after ownership of any of the real property is severed, all of the real property burdened or benefited by an easement, condition, restriction, or other servitude again is owned by a common owner.

Sec. 2. Minnesota Statutes 2000, section 508.09, is amended to read:

508.09 AMENDMENT.

Amendments to the application, including joinder, substitution, or discontinuance as to parties, may be allowed by the court at any time upon terms that are just and reasonable, but all amendments shall be in writing and signed and verified like the original application. A person who acquires the original applicant's estate in all or part

of the land by voluntary instrument from the original applicant may be substituted for the applicant as to the land acquired by executing and filing an amendment without payment of the fees specified in section 357.021, subdivision 2, clause (1).

Sec. 3. Minnesota Statutes 2000, section 508.16, subdivision 1, is amended to read:

Subdivision 1. SUBSCRIBED BY ADMINISTRATOR: COPIES. The summons shall be subscribed by the court administrator, directed to the defendants, and require them to appear and answer the application of the applicant, within 20 days after the service of the summons, exclusive of the day of such service. It shall be served in the manner as provided by law for the service of a summons in civil actions in the district court, except as herein otherwise provided. It shall be served upon the state by delivering a copy thereof to the attorney general, a deputy attorney general or an assistant attorney general who shall transmit the same. The attorney general shall represent the state in these proceedings. In those cases where the attorney general deems it appropriate, the attorney general may transmit the matter to the county attorney of the county in which the land described therein is situated, and thereupon such county attorney shall appear in such proceeding, and represent the state therein. It shall be served upon a domestic corporation governed by chapter 302A whose charter has terminated by dissolution, expiration, or otherwise, by delivering a copy of it to a person, known to the applicant, who held office in the corporation at the time of dissolution and can be found in the state or, if no officer known to the applicant can be found in the state, by publishing the summons in a newspaper printed and published in the county where the application is filed, once each week for three consecutive weeks. It shall be served upon all persons not personally served who are not residents of the state or who cannot be found therein, and upon domestic corporations not governed by chapter 302A whose charter has terminated by dissolution, expiration, or otherwise more than three years prior to the commencement of the action, and upon unknown successors in interests of such corporations, and upon "all other persons or parties unknown claiming any right, title, estate, lien, or interest in the real estate described in the application herein" by publishing the same in a newspaper printed and published in the county wherein the application is filed, once each week for three consecutive weeks; provided, if the order for summons or a supplemental order of the court, filed before, during or after the publication of the summons, shall so direct, the summons may be personally served without the state upon any one or more of the defendants who are nonresidents of the state or who cannot be found therein, in like manner and with like effect as such service in a summons in a civil action in the district court; and provided further, that any nonresident defendant, natural or corporate, who can be found in the state of Minnesota and can be personally served therein, may be served personally. The court administrator shall also, at least 20 days before the entry of the decree which shall be entered in the matter, send a copy of the summons by mail to all defendants not served personally who are not residents of the state, and whose place of address is known to applicant or stated in the application, or in the order directing the issuance of the summons. The certificate of the court administrator that the court administrator has mailed the summons, as herein provided, shall be conclusive evidence thereof. Other or further notice of the application for registration

may be given in such manner and to such persons as the court or any judge thereof may direct. The summons shall be served at the expense of the applicant and proof of the service shall be made in the same manner as in civil actions. The summons shall be substantially in the following form:

SUMMONS IN APPLICATION FOR REGISTRATION OF LAND
State of Minnesota
ss.
County of
District Court Judicial District.
In the matter of the application of (name of applicant) to register the title to the following described real estate situated in county, Minnesota, namely: (description of land)
Applicant,
vs
(names of defendants) and "all other persons or parties unknown claiming any right, title, estate, lien or interest in the real estate described in the application herein."
Defendants.
THE STATE OF MINNESOTA TO THE ABOVE NAMED DEFENDANTS:
You are hereby summoned and required to answer the application of the applicant in the above entitled proceeding and to file your answer to the said application in the office of the court administrator of said court, in said county, within 20 days after service of this summons upon you exclusive of the day of such service, and, if you fail to answer the application within the time aforesaid, the applicant in this proceeding will apply to the court for the relief demanded therein.
Witness court administrator of said court, and the seal thereof, at, in said county, this day of,
(Seal)
Court administrator

Sec. 4. [508.351] CONDOMINIUM CERTIFICATE.

Subdivision 1. DECLARATION. Prior to filing with the registrar of titles of a declaration or bylaws for a condominium, or an amendment to the declaration or bylaws, a determination must be made by an order of court in a proceeding subsequent to initial registration or by a written directive of the examiner of titles that the documents comply with the requirements of the applicable condominium statute.

Subd. 2. FORM OF COMMON ELEMENTS CERTIFICATE OF TITLE. Upon the filing of a declaration creating a condominium, the registrar shall issue a certificate of title, designated as a "common elements certificate of title," ("CECT"). It must be in substantially the following form:

COMMON ELEMENTS CERTIFICATE OF TITLE (CECT)

This is the Common Elements Certificate of Title for Condominium CIC No.

State of Minnesota)	
)	SS.
County of)	

This is to certify that the common elements in condominium CIC No. are subject to the encumbrances, liens, and interests noted by the memorials set forth as follows:

 $\underline{\text{In witness whereof, I have hereunto subscribed my name and affixed the seal of my office, this day of,}$

Registrar of Titles, in and for the County of and State of Minnesota

- Subd. 3. TRACT INDEX. CECTs must be maintained in the same manner as provided for certificates of title and must be indexed in the tract index as provided in section 508.37, subdivision 1a. The names of the owners in the tract index must be "unit owners." The description of the registered land in the tract index must be "common elements" or "CECT."
- Subd. 4. UNIT CERTIFICATES. Certificates of title issued for the units described in the declaration must contain, immediately following the description of the Unit, a statement in substantially the following form: "Subject to encumbrances, liens, and interests noted on CECT No."
- Subd. 5. MEMORIALS. The condominium declaration, bylaws, any amendment to the declaration or bylaws; any lien against the common elements pursuant to chapter 514; any fixture filing pursuant to section 336.9-314 where the financing statement describes the common elements; any easement on the common elements pursuant to section 515B.3-102, subsection (a)(9); any instrument evidencing the transfer of a special declarant right pursuant to section 515B.3-104; and any conveyance or encumbrance of the common elements pursuant to section 515B.3-112 must be entered as memorials on the CECT only.
- Subd. 6. PREEXISTING CONDOMINIUMS. In the case of a condominium existing prior to August 1, 2001, on registered land, for which no CECT has been issued, upon the filing of a document of the kind specified in subdivision 5, the registrar shall issue a CECT, but documents filed prior to the issuance of the CECT

need not be entered as memorials on the CECT. The registrar for no additional fee shall mark by the land description on the certificate of title for each of the units in the condominium a statement in substantially the following form: "subject to encumbrances, liens, and interests noted in CECT No." and in future certificates for each unit in the condominium, insert immediately following the description of the unit, a statement in substantially the following form: "subject to encumbrances, liens, and interests noted on CECT No."

- Sec. 5. Minnesota Statutes 2000, section 508.421, is amended by adding a subdivision to read:
- Subd. 1a. REISSUANCE. The owner of registered land may request the registrar of titles to issue a new certificate of title free from the memorials of all interests which have terminated.
- Sec. 6. Minnesota Statutes 2000, section 508.82, subdivision 1, is amended to read:

Subdivision 1. STANDARD DOCUMENTS. The fees to be paid to the registrar shall be as follows:

- (1) of the fees provided herein, five percent of the fees collected under clauses (3), (4), (5), (10) (11), (12) (13), (14), (15), and (16), and (17), for filing or memorializing shall be paid to the state treasurer and credited to the general fund; plus a \$4.50 surcharge shall be charged and collected in addition to the total fees charged for each transaction under clauses (2) to (5), (10), (12), and (16), (3), (5), (11), (13), (14), (16), and (17), with 50 cents of this surcharge to be retained by the county to cover its administrative costs and \$4 to be paid to the state treasury and credited to the general fund;
 - (2) for registering a first certificate of title, including issuing a copy of it, \$30;
- (3) for registering each instrument transferring the fee simple title for which a new certificate of title is issued and for the registration of the new certificate of title, including a copy of it, \$30;
 - (4) for issuance of a CECT pursuant to section 508.351, \$15;
 - (5) for the entry of each memorial on a certificate, \$15;
 - (5) (6) for issuing each residue certificate, \$20;
- (6) (7) for exchange certificates, \$10 for each certificate canceled and \$10 for each new certificate issued;
 - (7) (8) for each certificate showing condition of the register, \$10;
- (8) (9) for any certified copy of any instrument or writing on file in the registrar's office, the same fees allowed by law to county recorders for like services;
- (9) (10) for a noncertified copy of any certificate of title, other than the copies issued under clauses (2) and (3), any instrument or writing on file in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the

county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

- (10) (11) for filing two copies of any plat in the office of the registrar, \$30;
- (11) (12) for any other service under this chapter, such fee as the court shall determine;
- (12) (13) for filing an amendment to a declaration in accordance with chapter 515, \$10 for each certificate upon which the document is registered and \$30 for an amended floor plan filed in accordance with chapter 515;
- (13) (14) for filing an amendment to a condominium declaration or plat in accordance with chapter 515A, or a common interest community declaration and plat or amendment complying with section 515B.2-110, subsection (c), \$10 for each certificate upon which the document is registered and \$30 for the filing of the condominium or common interest community plat or amendment;
- (14) (15) for a copy of a condominium floor plan filed in accordance with chapter 515, a copy of a condominium plat filed in accordance with chapter 515A, or a copy of a common interest community plat complying with section 515B.2-110, subsection (c), the fee shall be \$1 for each page of the floor plan, condominium plat, or common interest community plat with a minimum fee of \$10;
- (15) (16) for the filing of a certified copy of a plat of the survey pursuant to section 508.23 or $\overline{508.671}$, \$10;
- (16) (17) for filing a registered land survey in triplicate in accordance with section 508.47, subdivision 4, \$30;
- (17) (18) for furnishing a certified copy of a registered land survey in accordance with section 508.47, subdivision 4, \$10.
- Sec. 7. Minnesota Statutes 2000, section 508A.01, subdivision 2, is amended to read:
- Subd. 2. **PURPOSE.** The purpose of sections 508A.01 to 508A.85 is to provide a voluntary procedure for registration of certain possessory estates in land with certainty, at reasonable cost and speed, and without the necessity for the initial adjudication required by chapter 508, and to provide for initial registration of land under a certificate of possessory title ("CPT"). Upon the expiration of five years from the date of the examiner's supplemental directive is filed on the first CPT, the registrar of titles shall cancel the CPT and issue a certificate of title as provided in section 508A.85, subdivisions 2 and 3.
 - Sec. 8. Minnesota Statutes 2000, section 508A.08, is amended to read:

508A.08 LANDS INCLUDED IN APPLICATION; CONTENTS.

Subdivision 1. ADJACENT LAND; COMMON OWNER. Any number of adjoining tracts of land in the same county and owned by the same person and in the same right, or any number of tracts of land in the same county having the same chain

of title, and belonging to the same person may be included in one application. When approved by the examiner of titles on petition of the applicant or applicants, nonadjoining tracts of land owned by the same person or persons in the same right having different chains of title may be included in one application.

- Subd. 2. ADJACENT LAND; DIFFERENT OWNERS. When approved by the examiner of titles, owners of two or more adjacent tracts of land in the same county may join in one application to register the title to their individual tracts. The application must list separately all of the information required by section 508A.06 for the owner or owners of each of the tracts included in the application.
 - Sec. 9. Minnesota Statutes 2000, section 508A.09, is amended to read:

508A.09 AMENDMENT.

Amendments to the application may be allowed by the examiner of titles at any time upon terms that are just and reasonable, but all amendments shall be in writing and signed and verified like the original application. A person who acquires the original applicant's estate in all or part of the land by voluntary instrument from the original applicant may be substituted for the applicant as to the land acquired by executing an amendment.

Sec. 10. Minnesota Statutes 2000, section 508A.10, is amended to read:

508A.10 APPLICATION TO EXAMINER; POWERS OF EXAMINER.

An application for registration for a CPT shall be addressed to the examiner of titles in and for the county in which the land described is situated. The examiner shall have the powers provided in sections 508A.01 to 508A.85 including but not limited to the following:

- (1) To approve all applications prior to filing of record;
- (2) To require an abstract of title with searches and recertifications as desired;
- (3) To require that mailed notice be given to the holders of any interest, when their addresses are known;
- (4) To issue examiner's reports, supplemental reports, and initial directives, and supplemental directives to the registrar regarding initial CPTs or memorials upon any CPT pursuant to section 508A.71;
- (5) To require the county surveyor to review the proposed legal description of any CPT or to inspect the real property;
- (6) To suspend any proceeding hereunder upon receipt of any valid written objections by persons claiming an interest in the real property; and
- (7) To require proceedings subsequent to the initial CPT as may be necessary to achieve the purposes of sections 508A.01 to 508A.85, or to certify instruments transferring title pursuant to sections 508A.59, 508A.62, and 508A.69.

Sec. 11. Minnesota Statutes 2000, section 508A.11, subdivision 1, is amended to read:

Subdivision 1. APPLICATION FILED WITH COUNTY RECORDER. A certified copy of the application shall be delivered to the examiner of titles. After approval by the examiner of titles, the application for a CPT shall be filed for record in the office of the county recorder, and shall be notice forever to all purchasers and encumbrancers of the pendency of the registration and of all matters referred to in the files and records of the examiner of titles and of the registrar of titles pertaining to the registration. The applicant shall deliver a certified copy of the recorded application to the examiner of titles.

Sec. 12. Minnesota Statutes 2000, section 508A.11, subdivision 2, is amended to read:

Subd. 2. **ABSTRACT SUPPLIED.** The applicant shall deliver to the examiner of titles an abstract of title certified or recertified in a manner satisfactory to the examiner of titles shall be delivered to the examiner. In the event the examiner refuses to direct the issuance of a CPT, the abstract shall be returned. Otherwise, the abstract shall be returned to the applicant only at the time and under the conditions as the examiner shall determine.

Sec. 13. Minnesota Statutes 2000, section 508A.17, subdivision 1, is amended to read:

Subdivision 1. **LIMITATION.** As against a title to land registered under a CPT which has been entered and maintained by the registrar under sections 508A.01 to 508A.85, no action affecting the possession or title to the land shall be commenced by any person, partnership, corporation, state, or political subdivision to enforce any right, title, estate, lien, or interest founded upon any instrument, event, or transaction which was executed or occurred before the entry of the first CPT and which is not set out as a separate memorial on the CPT or covered by section 508A.25, clauses (1) to (5) and (8) (7) unless the action is commenced and a notice of lis pendens of it is registered upon the CPT within a period of five years from the date the examiner's supplemental directive is filed on of the first CPT.

Sec. 14. Minnesota Statutes 2000, section 508A.22, subdivision 1, is amended to read:

Subdivision 1. **DIRECTIVE.** The examiner of titles, upon being satisfied that the applicant is entitled to a CPT, but not earlier than 20 days from the date of mailing of the notice required by section 508A.13, shall issue a written directive to the registrar of titles directing that the first CPT be issued and entered in the name of the applicant, subject only to the following: (a) the exceptions set out in section 508A.25; (b) separate memorials showing all outstanding rights, titles, estates, liens, and interests set forth in the examiner's report and any additional liens, encumbrances, or other interests affecting the land, arising after the filing of the application; and (c) a memorial of the examiner's directive which must state that the land described in the directive is subject to the rights of persons in possession, if any, and any rights which would be disclosed

by a survey except as those rights are limited by section 508A.02, subdivision 1. The examiner's directive shall contain an accurate description of the land and shall set forth the address of the applicant and, if the applicant be is an individual, whether the applicant is 18 years of age or older, and whether married or unmarried, and if married, the name of the spouse; if the applicant is under any legal incapacity, the nature of it shall be stated. The examiner shall deliver the abstract of title to the registrar of titles who shall retain it, but it must not be entered as a memorial on the CPT. From the date of filing the examiner's directive with the registrar of titles, all instruments affecting title to the land which are registered shall be filed in the office of the registrar of titles and be memorialized upon the CPT.

- Sec. 15. Minnesota Statutes 2000, section 508A.22, subdivision 3, is amended to read:
- Subd. 3. FEES. Upon the filing with the registrar of titles of the examiner's directive pursuant to subdivision 1, there shall be paid to the registrar: (1) the fee provided by section 508A.82, clause (2), for registering a first CPT, and (2) the fee provided by section 508.74, which shall be paid to the state treasurer pursuant to section 508.75. Upon filing with the registrar of titles the supplemental directive of the examiner, there shall be paid to the registrar of titles the fee for the entry of a memorial pursuant to section 508A.82, clause (4).
 - Sec. 16. Minnesota Statutes 2000, section 508A.25, is amended to read:

508A.25 RIGHTS OF PERSON HOLDING CPT.

Every person holding a CPT issued pursuant to sections 508A.01 to 508A.85 who has acquired title in good faith and for a valuable consideration shall hold the same free from all encumbrances and adverse claims, excepting only estates, mortgages, liens, charges, and interests as may be noted by separate memorials in the latest CPT in the office of the registrar, and also excepting the memorial provided in section 508A.351 and any of the following rights or encumbrances subsisting against the same, if any:

- (1) liens, claims, or rights arising or existing under the laws or the constitution of the United States, which this state cannot require to appear of record;
 - (2) the lien of any real property tax or special assessment;
- (3) any lease for a period not exceeding three years when there is actual occupation of the premises under it;
 - (4) all rights in public highways upon the land;
- (5) the rights of any person in possession under deed or contract for deed from the owner of the CPT;
- (6) any liens, encumbrances, and other interests that may be contained in the examiner's supplemental directive issued pursuant to section 508A.22, subdivision 2;
- (7) any claims that may be made pursuant to section 508A.17 within five years from the date the examiner's supplemental directive is filed on of the first CPT; and

(8) (7) any outstanding mechanics lien rights which may exist under sections 514.01 to $\overline{5}$ 14.17.

No existing or future lien for state taxes arising under the laws of this state for the nonpayment of any amounts due under chapter 268 or any tax administered by the commissioner of revenue may encumber title to lands registered under this chapter unless filed under the terms of this chapter.

Sec. 17. Minnesota Statutes 2000, section 508A.35, is amended to read:

508A.35 FORMS OF CPT.

The CPT shall contain the name and residence of the owner, a description of the land and of the estate of the owner, and shall by memorial contain a description of all encumbrances, liens, and interests known to the owner to which the estate of the owner is subject. It shall state whether the owner is 18 years of age or older and if under any legal incapacity, the nature of it. It shall also state whether or not the owner is married and if married, the name of the spouse. In case the land is held in trust or subject to any condition or limitation, it shall state the nature and character of it. It shall be in substantially the following form:

CERTIFICATE OF POSSESSORY TITLE (CPT)

First Certificate of Possessory Title, pursuant to the Directive of the Examiner of Titles, County of, and State of Minnesota, date,

Registration of Possessory Title

State of Minnesota)		
) ss		
County of)	4	
This is to certify the	n#	of the	

- (1) Liens, claims, or rights arising under the laws of or the Constitution of the United States, which the statutes of this state cannot require to appear of record;
 - (2) Any real property tax or special assessment;
- (3) Any lease for a period not exceeding three years, when there is actual occupation of the premises under the lease;
 - (4) All rights in public highways upon the land;
- (5) The rights, titles, estates, liens, and interests of any person who has acquired an interest set forth in the Examiner's Supplemental Directive issued pursuant to section 508A.22, subdivision 2;

- (6) The rights of any person in possession under deed or contract for deed from the owner of the CPT;
- (7) (6) Any claims that may be made pursuant to section 508A.17 within five years from the date the Examiner's Supplemental Directive is filed on of the first CPT; and
- (8) (7) Any outstanding mechanics lien rights which may exist under sections 514.01 to 514.17.

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All CPTs issued subsequent to the first shall be in like form except that they shall be entitled "Transfer from number (here give the number of the next previous CPT relating to the same land)," and shall also contain the words "Originally registered (date, volume, and page of registration)."

CPTs shall be indexed and maintained in the same manner as provided for certificates of title under chapter 508.

- Sec. 18. Minnesota Statutes 2000, section 508A.351, is amended by adding a subdivision to read:
- Subd. 1a. DECLARATION. Prior to filing with the registrar of titles of a declaration or bylaws for a condominium, or an amendment to the declaration or bylaws, a determination must be made by an order of court in a proceeding subsequent to initial registration or by a written directive of the examiner of titles that the documents comply with the requirements of the applicable condominium statute.
- Sec. 19. Minnesota Statutes 2000, section 508A.351, is amended by adding a subdivision to read:
- Subd. 2a. FORM OF COMMON ELEMENTS CERTIFICATE OF TITLE. Upon the filing of a declaration creating a condominium, the registrar shall issue a certificate of title, designated as a "common elements certificate of title," ("CECT"). It must be in substantially the following form:

COMMON ELEMENTS CERTIFICATE OF TITLE (CECT)

	This	<u>1S</u>	the	Common	Elements	Certificate	<u>of</u>	Title	<u>for</u>	Condominium	CIC	No.
•••••						•						

State of Minnesota)	
)	SS
County of)	

This is to certify that the common elements in condominium CIC No. are subject to the encumbrances, liens, and interests noted by the memorials set forth as follows:

 $\underline{\text{In witness whereof, I have here unto subscribed my name and affixed the seal of my office, this day of,}$

Registrar of Titles, in and for the County ofand State of Minnesota

- Sec. 20. Minnesota Statutes 2000, section 508A.351, is amended by adding a subdivision to read:
- Subd. 3. TRACT INDEX. CECTs must be maintained in the same manner as provided for certificates of title under chapter 508 and must be indexed in the tract index as provided in section 508.37, subdivision 1a. The names of the owners in the tract index must be "unit owners." The description of the registered land in the tract index must be "common elements" or "CECT."
- Sec. 21. Minnesota Statutes 2000, section 508A.351, is amended by adding a subdivision to read:
- Subd. 4. UNIT CERTIFICATES. CPTs issued for the units described in the declaration must contain, immediately following the description of the unit, a statement in substantially the following form: "Subject to encumbrances, liens, and interests noted on CECT No."
- Sec. 22. Minnesota Statutes 2000, section 508A.351, is amended by adding a subdivision to read:
- Subd. 5. MEMORIALS. The condominium declaration, bylaws, any amendment to the declaration or bylaws; any lien against the common elements pursuant to chapter 514; any fixture filings pursuant to section 336.9-314 where the financing statement describes the common elements; any easement on the common elements pursuant to section 515B.3-102, subsection (a)(9); any instrument evidencing the transfer of a special declarant right pursuant to section 515B.3-104; and any conveyance or encumbrance of the common elements pursuant to section 515B.3-112 must be entered as memorials on the CECT only.
- Sec. 23. Minnesota Statutes 2000, section 508A.351, is amended by adding a subdivision to read:
- Subd. 6. PREEXISTING CONDOMINIUMS. In the case of a condominium existing prior to August 1, 2001, on registered land, for which no CECT has been issued, upon the filing of a document of the kind specified in section 508.351, subdivision 4, the registrar shall issue a CECT, but documents filed prior to the issuance of the CECT need not be entered as memorials on the CECT. The registrar for

no additional fee shall mark by the land description on the certificate of title for each of the units in the condominium a statement in substantially the following form: "Subject to encumbrances, liens, and interests noted in CECT No." and in future certificates for each unit in the condominium insert, immediately following the description of the Unit, a statement in substantially the following form: "Subject to encumbrances, liens and interests noted on CECT No."

Sec. 24. Minnesota Statutes 2000, section 508A.421, is amended by adding a subdivision to read:

Subd. 1a. REISSUANCE. The owner of registered land may request the registrar of titles to issue a new CPT free from the memorials of all interests which have terminated.

Sec. 25. [508A.422] COMBINED CERTIFICATE.

Subdivision 1. COMBINING CPT AND CERTIFICATE OF TITLE. The owner of registered land holding a CPT and a certificate of title may request the registrar of titles to issue a single certificate of title, to be known as a combined certificate of title, for the lands described in the CPT and the certificate of title. The combined certificate of title must be in the form prescribed in section 508.35 and must also contain, following the statement required by section 508.35 regarding rights or encumbrances subsisting, a statement in substantially the following form: "This certificate of title is also a CPT as to the lands described herein included in the examiner's directive shown by memorial on this certificate of title and those lands are subject to any claims that may be made pursuant to section 508A.17 within five years from the date of the first CPT."

Subd. 2. APPLICABLE STATUTE. Chapter 508 applies to the lands in the combined certificate of title which are registered under that chapter or which have been integrated pursuant to section 508A.85, subdivision 5. This chapter applies to the lands in the combined certificate of title which are registered pursuant to this chapter and which have not been integrated pursuant to section 508A.85, subdivision 5.

Sec. 26. Minnesota Statutes 2000, section 508A.82, subdivision 1, is amended to read:

Subdivision 1. STANDARD DOCUMENTS. The fees to be paid to the registrar shall be as follows:

(1) of the fees provided herein, five percent of the fees collected under clauses (3), (4), (10), (12), (14), and (16) (5), (11), (13), (14), and (17), for filing or memorializing shall be paid to the state treasurer and credited to the general fund; plus a \$4.50 surcharge shall be charged and collected in addition to the total fees charged for each transaction under clauses (2) to (5), (10), (12), and (16), (3), (5), (11), (13), (14), and (17), with 50 cents of this surcharge to be retained by the county to cover its administrative costs and \$4 to be paid to the state treasury and credited to the general fund;

(2) for registering a first CPT, including issuing a copy of it, \$30;

- (3) for registering each instrument transferring the fee simple title for which a new CPT is issued and for the registration of the new CPT, including a copy of it, \$30;
 - (4) for issuance of a CECT pursuant to section 508A.351, \$15;
 - (5) for the entry of each memorial on a CPT, \$15;
 - (5) (6) for issuing each residue CPT, \$20;
- (6) (7) for exchange CPTs or combined certificates of title, \$10 for each CPT and certificate of title canceled and \$10 for each new CPT or combined certificate of title issued;
 - (7) (8) for each CPT showing condition of the register, \$10;
- (8) (9) for any certified copy of any instrument or writing on file in the registrar's office, the same fees allowed by law to county recorders for like services;
- (9) (10) for a noncertified copy of any CPT, other than the copies issued under clauses (2) and (3), any instrument or writing on file in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;
 - (10) (11) for filing two copies of any plat in the office of the registrar, \$30;
- (11) (12) for any other service under sections 508A.01 to 508A.85, the fee the court shall determine;
- (12) (13) for filing an amendment to a declaration in accordance with chapter 515, \$10 for each certificate upon which the document is registered and \$30 for an amended floor plan filed in accordance with chapter 515;
- (13) (14) for filing an amendment to a condominium declaration or plat in accordance with chapter 515A, or a common interest community declaration and plat or amendment complying with section 515B.2-110, subsection (c) and issuing a CECT if required, \$10 for each certificate upon which the document is registered and \$30 for the filing of the condominium or common interest community plat or amendment;
- (14) (15) for a copy of a condominium floor plan filed in accordance with chapter 515, a copy of a condominium plat filed in accordance with chapter 515A, or a copy of a common interest community plat complying with section 515B.2-110, subsection (c), the fee shall be \$1 for each page of the floor plan, condominium plat, or common interest community plat with a minimum fee of \$10;
- (15) (16) in counties in which the compensation of the examiner of titles is paid in the same manner as the compensation of other county employees, for each parcel of land contained in the application for a CPT, as the number of parcels is determined by the examiner, a fee which is reasonable and which reflects the actual cost to the county, established by the board of county commissioners of the county in which the land is located;

- (16) (17) for filing a registered land survey in triplicate in accordance with section 508A.47, subdivision 4, \$30; and
- (17) (18) for furnishing a certified copy of a registered land survey in accordance with section 508A.47, subdivision 4, \$10.
- Sec. 27. Minnesota Statutes 2000, section 508A.85, subdivision 4, is amended to read:
- Subd. 4. CHANGEOVER, MEMORIALS ON CERTIFICATE OF TITLE. Any certificate of title issued pursuant to this section shall carry forward all memorials which still affect the land, except for the memorial of the examiner's supplemental directive issued pursuant to section 508A.22, subdivision 2. It shall be made subject to all statutory exceptions and be issued in the same form as provided in section 508.35, except that, in lieu of reciting that the certificate of title was issued pursuant to the order of the district court, the certificate of title shall recite that it was issued pursuant to the provisions of this section and recite the date the certificate of title was issued for the land involved. The memorial of the examiner's directive on the CPT pursuant to section 508A.351 508A.22 shall not be removed without an order of the district court.
 - Sec. 28. Minnesota Statutes 2000, section 515B.1-116, is amended to read:

515B.1-116 RECORDING.

- (a) A declaration, bylaws, any amendment to a declaration or bylaws, and any other instrument affecting a common interest community shall be entitled to be recorded. In those counties which have a tract index, the county recorder shall enter the declaration in the tract index for each unit affected. The registrar of titles shall file the declaration on the certificate of title for each unit affected in accordance with section 508.351 or 508A.351.
- (b) The recording officer shall upon request promptly assign a number (CIC number) to a common interest community to be formed or to a common interest community resulting from the merger of two or more common interest communities.
- (c) Documents recorded pursuant to this chapter shall in the case of registered land be filed, and references to the recording of documents shall mean filed in the case of registered land.
- (d) Subject to any specific requirements of this chapter, if a recorded document relating to a common interest community purports to require a certain vote or signatures approving any restatement or amendment of the document by a certain number or percentage of unit owners or secured parties, and if the amendment or restatement is to be recorded pursuant to this chapter, an affidavit of the president or secretary of the association stating that the required vote or signatures have been obtained shall be attached to the document to be recorded and shall constitute prima facie evidence of the representations contained therein.
- (e) If a common interest community is located on registered land, the recording fee for any document affecting two or more units shall be the then-current fee for registering the document on the certificates of title for the first ten affected certificates

and one-third of the then-current fee for each additional affected certificate. This provision shall not apply to recording fees for deeds of conveyance, with the exception of deeds given pursuant to sections 515B.2-119 and 515B.3-112.

- (f) Except as permitted under this subsection, a recording officer shall not file or record a declaration creating a new common interest community, unless the county treasurer has certified that the property taxes payable in the current year for the real estate included in the proposed common interest community have been paid. This certification is in addition to the certification for delinquent taxes required by section 272.12. In the case of preexisting common interest communities, the recording officer shall accept, file, and record the following instruments, without requiring a certification as to the current or delinquent taxes on any of the units in the common interest community: (i) a declaration subjecting the common interest community to this chapter; (ii) a declaration changing the form of a common interest community pursuant to section 515B.2-123; or (iii) an amendment to or restatement of the declaration, bylaws, or CIC plat. In order for the instruments to be accepted and recorded under the preceding sentence, the assessor must certify or otherwise inform the recording officer that, for taxes payable in the current year, the assessor has allocated taxable values to each unit or has separately assessed each unit.
- (g) The registrar of titles shall not require the filing on certificates of title previously issued for units in a flexible common interest community of an amendment to a declaration pursuant to section 515B.2-111 made solely to add additional real estate.
- (h) In the case of an amendment to a declaration or a transfer of special declarant rights with respect to a common interest community located on registered land, the registrar of titles shall not require the surrender of the owner's duplicate certificates of title to record the document, except for any owner's duplicate certificates of title relating to additional real estate being added by an amendment under section 515B.2 111.
 - Sec. 29. Minnesota Statutes 2000, section 515B.3-104, is amended to read:

515B.3-104 TRANSFER OF SPECIAL DECLARANT RIGHTS.

- (a) A special declarant right created or reserved under this chapter may be voluntarily transferred only by a separate instrument evidencing the transfer recorded in every county in which any part of the common interest community is located. The separate instrument shall be recorded against all units in the common interest community, or in the case of a cooperative, against the real estate owned by the cooperative, or in the case of a condominium on registered land, the instrument must be filed pursuant to section 508.351, subdivision 3, or 508A.351, subdivision 3. The instrument may provide for the conveyance of less than all of the special declarant rights, and is not effective unless executed by the transferor and transferee. A deed in lieu of foreclosure, or other conveyance arising out of a foreclosure or cancellation, shall not be deemed a voluntary transfer within the meaning of this section.
- (b) Upon the voluntary transfer of any special declarant right, the liability of a transferor declarant is as follows:

- (1) A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for warranty obligations imposed on the transferor by this chapter. Lack of privity does not deprive any unit owner of standing to maintain an action to enforce any obligation of the transferor.
- (2) If a successor to any special declarant right is an affiliate of a declarant, the transferor is jointly and severally liable with the successor for any obligations or liabilities of the successor relating to the common interest community.
- (3) If a transferor retains any special declarant rights, but transfers other special declarant rights to a successor who is not an affiliate of the declarant, the transferor is liable for any obligations or liabilities imposed on a declarant by this chapter or by the declaration relating to the retained special declarant rights and arising before or after the transfer.
- (4) A transferor has no liability for any act or omission or any breach of a contractual or warranty obligation arising from the exercise of a special declarant right by a successor declarant who is not an affiliate of the transferor.
- (c) Upon the voluntary transfer of any special declarant right, the liability of a successor declarant is as follows:
- (1) A successor to any special declarant right who is an affiliate of a declarant is subject to all obligations and liabilities imposed on the transferor by this chapter or by the declaration.
- (2) A successor to any special declarant right who is not an affiliate of a declarant is subject to all obligations and liabilities imposed by this chapter or the declaration, except: (i) misrepresentations by any previous declarant; (ii) warranty obligations on improvements made by any previous declarant, or made before the common interest community was created; (iii) breach of any fiduciary obligation by any previous declarant or the declarant's appointees to the board; (iv) any liability or obligation imposed on the transferor as a result of the transferor's acts or omissions after the transfer; and (v) any liability arising out of a special declarant right which was not transferred as provided in subsection (a).
- (d) In case of foreclosure of a mortgage or cancellation of a contract for deed or other security interest (or conveyance in lieu thereof), sale by a trustee under an agreement creating a security interest, tax sale, judicial sale, or sale under bankruptcy code or receivership proceedings, of any units or additional real estate, or interest therein, owned by a declarant, a person acquiring title to the property or interests succeeds to all special declarant rights related to the property or interests held by that declarant and acquired by it unless (i) the mortgage instrument or other instrument creating the security interest, (ii) the instrument conveying title or (iii) a separate instrument signed by the person and recorded within 60 days after the person acquires title to the property or interests, provides for transfer of less than all special declarant rights. The separate instrument need be recorded only against the title to the units or interests other than those being acquired under this subsection, or in the case of a cooperative, against the real estate owned by the cooperative. The declarant shall cease

to have or exercise any special declarant rights which are transferred. If the person has limited the transfer of certain special declarant rights as provided in this subsection, then it and its successor's liability shall be limited, as follows:

- (1) If the person or its successor limits its rights and liabilities only to maintain models, sales office and signs, and if that party is not an affiliate of a declarant, it is not subject to any liability or obligations as a declarant, except the obligation to provide a disclosure statement and any liability arising from that obligation, and it may not exercise any other special declarant rights.
- (2) If the person or its successor is not an affiliate of a declarant, it may declare its intention in a recorded instrument as provided in subsection (a) to acquire all special declarant rights and hold those rights solely for transfer to another person. Thereafter, until the special declarant rights are transferred to a person acquiring title to any unit owned by the successor, or until a separate instrument is recorded permitting exercise of all of those rights, that successor may not exercise any of those rights other than the right to control the board of directors in accordance with the provisions of section 515B.3-103 for the duration of any period of declarant control. So long as any successor may not exercise its special declarant rights under this subsection, it is not subject to any liability or obligation as a declarant other than liability for its acts and omissions under section 515B.3-103.
- (e) Any attempted exercise by a purported successor to a special declarant right which is not transferred as provided in this section is void, and any purported successor attempting to exercise that right shall be liable for any damages arising out of its actions.
- (f) Nothing in this section shall subject any successor to a special declarant right to any claims against or other obligations of a transferor declarant, other than claims and obligations arising under this chapter, or the declaration or bylaws.
 - Sec. 30. Minnesota Statutes 2000, section 515B.3-117, is amended to read:

515B.3-117 OTHER LIENS.

(a) Except in a cooperative and except as otherwise provided in this chapter or in a security instrument, an individual unit owner may have the unit owner's unit released from a lien if the unit owner pays the lienholder the portion of the amount which the lien secures that is attributable to the unit. Upon the receipt of payment, the lienholder shall promptly deliver to the unit owner a recordable partial satisfaction and release of lien releasing the unit from the lien. The release shall be deemed to include a release of any rights in the common elements appurtenant to the unit. The portion of the amount which a lien secures that is attributable to the unit shall be equal to the total amount which the lien secures multiplied by a percentage calculated by dividing the common expense liability attributable to the unit by the common expense liability attributable to all units against which the lien has been recorded, or in the case of a lien under subsection (b), the units against which the lien is permitted or required to be recorded. At the request of a lien claimant or unit owners, the association shall provide a written statement of the percentage of common expense liability attributable to all

units. After a unit owner's payment pursuant to this section, the association may not assess the unit for any common expense incurred thereafter in connection with the satisfaction or defense against the lien.

- (b) Labor performed or materials furnished for the improvement of a unit shall be the basis for the recording of a lien against that unit pursuant to the provisions of chapter 514 but shall not be the basis for the recording of a lien against the common elements. Labor performed or materials furnished for the improvement of common elements, if duly authorized by the association, shall be deemed to be performed or furnished with the express consent of each unit owner, and shall be perfected by recording a lien against all the units in the common interest community pursuant to the provisions of chapter 514, but shall not be the basis for the recording of a lien against the common elements except in the case of a condominium on registered land, in which case a lien must be filed pursuant to section 508.351, subdivision 3. Where a lien is recorded against the units for labor performed or material furnished for the improvement of common elements, the association shall be deemed to be the authorized agent of the unit owners for purposes of receiving the notices required under sections 514.011 and 514.08, subdivision 1, clause (2).
- (c) A security interest in a cooperative whose unit owners' interests in the units are personal property shall be perfected by recording a financing statement in the UCC filing section of the office of the recording officer for the county in which the unit is located. In any disposition by a secured party pursuant to section 336.9-504 or retention pursuant to section 336.9-505, the rights of the parties shall be the same as those provided by law, subject to the exceptions and requirements set forth in section 515B.3-116(h)(3), and except that the unit owner has the right to reinstate the debt owing to the secured party by paying to the secured party, prior to the effective date of the disposition or retention, the amount which would be required to reinstate the debt under section 580.30 if the unit were wholly real estate.
- Sec. 31. Minnesota Statutes 2000, section 541.023, subdivision 1, is amended to read:

Subdivision 1. COMMENCEMENT. As against a claim of title based upon a source of title, which source has then been of record at least 40 years, no action affecting the possession or title of any real estate shall be commenced by a person, partnership, corporation, other legal entity, state, or any political division thereof, after January 1, 1948, to enforce any right, claim, interest, incumbrance, or lien founded upon any instrument, event or transaction which was executed or occurred more than 40 years prior to the commencement of such action, unless within 40 years after such execution or occurrence there has been recorded in the office of the county recorder of filed in the office of the registrar of titles in the county in which the real estate affected is situated, a notice sworn to by the claimant or the claimant's agent or attorney setting forth the name of the claimant, a description of the real estate affected and of the instrument, event or transaction on which such claim is founded, and stating whether the right, claim, interest, incumbrance, or lien is mature or immature. If such notice relates to vested or contingent rights claimed under a condition subsequent or restriction it shall affirmatively show why such condition or restriction is not, or has not

become nominal so that it may be disregarded under the provisions of Minnesota Statutes 1945, section 500.20, subdivision 1.

- Sec. 32. Minnesota Statutes 2000, section 541.023, subdivision 2, is amended to read:
- Subd. 2. **APPLICATION.** (a) This section shall apply to every right, claim, interest, incumbrance, or lien founded by any instrument, event, or transaction that is at least 40 years old at the date hereof, or which will be 40 years old prior to January 1, 1948, except those under which the claimant thereunder shall file a notice as herein provided prior to January 1, 1948.
- (b) This section applies to repurchase options or other rights of repurchase that encumber an interest in land based upon an instrument other than a deed of conveyance granted by a governmental body, agency, or subdivision, unless within 40 years of the recording or filing of the instrument a notice is recorded or filed under subdivision 1. This paragraph does not revive repurchase options or rights of repurchase barred by subdivision 1.
- (c) This section does not apply to actions to enforce rights, claims, interests, encumbrances, or liens arising out of private covenants, conditions, or restrictions to which section 500.20, subdivision 2a, or successor statutes do not apply.
- Sec. 33. Minnesota Statutes 2000, section 541.023, is amended by adding a subdivision to read:
- Subd. 2a. REGISTERED PROPERTY NOT AFFECTED. (a) Except as provided in paragraph (b), this section does not apply to real property while it remains registered according to chapter 508 or 508A.
- (b) This subdivision does not affect an action or proceeding involving the validity of a claim of title based upon a source of title which has been of record at least 40 years if:
- (ii) a notice of the pendency of the action or proceeding is recorded or filed before February 1, 2002, in the office of the registrar of titles of the county in which the real property affected by the action or proceeding is located.
- Sec. 34. Minnesota Statutes 2000, section 541.023, subdivision 4, is amended to read:
- Subd. 4. NOTICES, FILING OR RECORDING; FEE. County recorders and registrars of titles are hereby directed to accept for recording or filing notices conforming with the provisions hereof, and to charge therefor fees corresponding with the fees charged for filing notices of lis pendens of similar length. Such notices may be discharged in the same manner as notices of lis pendens, and, when so discharged, shall, together with all information included therein, cease to constitute either actual or constructive notice.

Sec. 35. Minnesota Statutes 2000, section 541.023, subdivision 6, is amended to read:

Subd. 6. LIMITATIONS; CERTAIN TITLES NOT AFFECTED. This section shall not affect any rights of the federal government; nor increase the effect as notice, actual or constructive, of any instrument now of record; nor bar the rights of any person, partnership or corporation in possession of real estate. This section shall not impair the record title or record interest, or title obtained by or through any congressional or legislative grant, of any railroad corporation or other public service corporation or any trustee or receiver thereof or of any educational or religious corporation in any real estate by reason of any failure to file or record further evidence of such title or interest even though the record thereof is new or hereafter more than 40 years old; nor shall this section require the filing of any notice as provided for in this act as to any undischarged mortgage or deed of trust executed by any such corporation or any trustee or receiver thereof or to any claim or action founded upon any such undischarged mortgage or deed of trust. The exceptions of this subdivision shall not include (a) reservations or exceptions of land for right of way or other railroad purposes contained in deeds of conveyance made by a railroad company or by trustees or receivers thereof, unless said reserved or excepted land shall have been put to railroad use within 40 years after the date of said deeds of conveyance, (b) nor any rights under any conditions subsequent or restrictions contained in any such deeds of conveyance. This act shall not affect any action or proceeding which is now or on January 1, 1948, shall be pending, for the determination of validity of the title to real estate.

Sec. 36. Minnesota Statutes 2000, section 541.023, subdivision 7, is amended to read:

Subd. 7. SOURCE OF TITLE. For the purposes of this section, the words "source of title" as used in subdivision 1 hereof shall mean any deed, judgment, decree, sheriff's certificate, or other instrument which transfers or confirms, or purports to transfer or confirm, a fee simple title to real estate, including any such instrument which purports to transfer, or to confirm the transfer of a fee simple title from a person who was not the record owner of the real estate. However, any such instrument which purports to transfer, or to confirm the transfer of, a fee simple title from a person who was not the record owner of the real estate to the grantee or transferee named in such instrument shall be deemed a source of title "of record at least 40 years" within the meaning of subdivision 1 only if, during the period of 40 years after it was recorded, the following two conditions are fulfilled: (1) another instrument was recorded which purports to transfer a fee simple title from said grantee or transferee to another person and (2) no instrument was recorded which purports to be or confirm a transfer of any interest in the real estate by or from whoever was the record owner in fee simple immediately before the commencement of said period of 40 years. The purpose of the next preceding sentence is to limit the effect of erroneous descriptions or accidental conveyances. Insofar as this subdivision 7 may bar any claim not otherwise barred or extinguished by this section or by some other statute, it shall not be effective until June 1, 1960, and it shall not then apply to any such claim with respect to which a notice

has been filed under the provisions of this section prior to that date. This subdivision 7 shall not affect any action or proceeding which is now, or on or before June 1, 1960, shall be, pending in any court.

Sec. 37. REPEALER.

Minnesota Statutes 2000, sections 508.71, subdivision 7; 508A.22, subdivision 2; 508A.27; and 508A.351, subdivision 1, are repealed.

Sec. 38. INSTRUCTION TO REVISOR.

- (a) The revisor of statutes shall change the headnote for Minnesota Statutes, section 508.51, to read "VOLUNTARY INSTRUMENT."
- (b) The revisor of statutes shall change the headnote for Minnesota Statutes, section 508.421, to read "EXCHANGE CERTIFICATE."
- (c) The revisor of statutes shall change the headnote for Minnesota Statutes, section 508A.22, to read "EXAMINER'S DIRECTIVE; FEES."
- $\frac{\text{(d) The revisor of statutes shall change the headnote for section 508A.351, to read "CONDOMINIUM CERTIFICATE."}{} \frac{\text{Minnesota Statutes,}}{\text{Minnesota Statutes,}}$

Sec. 39. EFFECTIVE DATE.

- (a) Section 1 is effective the day following final enactment and applies to all easements, conditions, restrictions, and other servitudes created before, on, or after the effective date.
- (b) Section 1 does not affect an action or proceeding involving the validity of an easement, condition, restriction, or other servitude if:
- (1) the action or proceeding is pending as of the effective date of section 1, or is commenced before February 1, 2002; and
- (2) a notice of the pendency of the action or proceeding is recorded or filed before February 1, 2002, in the office of the county recorder or registrar of titles of the county in which the property affected by the action or proceeding is located.

Presented to the governor April 23, 2001

Signed by the governor April 26, 2001, 10:25 a.m.

CHAPTER 51-H.F.No. 1260

An act relating to family law; neutralizing certain terminology; amending Minnesota Statutes 2000, sections 518.131, subdivision 2; 518.155; 518.171, subdivisions 1, 4, 5, 6, and 8; 518.175; 518.1751, subdivision 1b; 518.176, subdivision 1; 518.18; 518.55, subdivision 1; 518.551, subdivisions 5 and 5e; 518.612; and 518.64, subdivision 2.

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