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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 3451

02/17/2020 Authored by Hausman
The bill was read for the first time and referred to the Housing Finance and Policy Division
03/11/2020 Adoption of Report: Placed on the General Register
Read for the Second Time

1.1 A bill for an act
1.2 relating to housing; adding covenants of affordable housing deeds or instruments
1.3 to list of exemptions; amending Minnesota Statutes 2018, section 500.20,
1.4 subdivision 2a.

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

1.6 Section 1. Minnesota Statutes 2018, section 500.20, subdivision 2a, is amended to read:

1.7 Subd. 2a. Restriction of duration of condition. Except for any right to reenter or to
1.8 repossess as provided in subdivision 3, all private covenants, conditions, or restrictions
1.9 created by which the title or use of real property is affected, cease to be valid and operative
1.10 30 years after the date of the deed, or other instrument, or the date of the probate of the will,
1.11 creating them, and may be disregarded.

1.12 This subdivision does not apply to covenants, conditions, or restrictions:

1.13 (1) that were created before August 1, 1959, under which a person who owns or has an
1.14 interest in real property against which the covenants, conditions, or restrictions have been
1.15 filed claims a benefit of the covenant, condition, or restriction if the person records in the
1.16 office of the county recorder or files in the office of the registrar of titles in the county in
1.17 which the real estate affected is located, on or before March 30, 1989, a notice sworn to by
1.18 the claimant or the claimant's agent or attorney: setting forth the name of the claimant;
1.19 describing the real estate affected; describing the deed, instrument, or will creating the
1.20 covenant, condition, or restriction; and stating that the covenant, condition, or restriction is
1.21 not nominal and may not be disregarded under subdivision 1;

1.22 (2) that are created by the declaration, bylaws, floor plans, or condominium plat of a
1.23 condominium created before August 1, 1980, under chapter 515, or created on or after

2.1 August 1, 1980, under chapter 515A or 515B, or by any amendments of the declaration,
2.2 bylaws, floor plans, or condominium plat;

2.3 (3) that are created by the articles of incorporation, bylaws, or proprietary leases of a
2.4 cooperative association formed under chapter 308A;

2.5 (4) that are created by a declaration or other instrument that authorizes and empowers
2.6 a corporation of which the qualification for being a stockholder or member is ownership of
2.7 certain parcels of real estate, to hold title to common real estate for the benefit of the parcels;

2.8 (5) that are created by a deed, declaration, reservation, or other instrument by which one
2.9 or more portions of a building, set of connecting or adjacent buildings, or complex or project
2.10 of related buildings and structures share support, structural components, ingress and egress,
2.11 or utility access with another portion or portions;

2.12 (6) that were created after July 31, 1959, under which a person who owns or has an
2.13 interest in real estate against which covenants, conditions, or restrictions have been filed
2.14 claims a benefit of the covenants, conditions, or restrictions if the person records in the
2.15 office of the county recorder or files in the office of the registrar of titles in the county in
2.16 which the real estate affected is located during the period commencing on the 28th
2.17 anniversary of the date of the deed or instrument, or the date of the probate of the will,
2.18 creating them and ending on the 30th anniversary, a notice as described in clause (1); ~~or~~

2.19 (7) that are created by a declaration or bylaws of a common interest community created
2.20 under or governed by chapter 515B, or by any amendments thereto; or

2.21 (8) that are created by a declaration or other instrument required by a government entity
2.22 related to affordable housing.

2.23 A notice filed in accordance with clause (1) or (6) delays application of this subdivision
2.24 to the covenants, conditions, or restrictions for a period ending on the later of seven years
2.25 after the date of filing of the notice, or until final judgment is entered in an action to determine
2.26 the validity of the covenants, conditions, or restrictions, provided in the case of an action
2.27 the summons and complaint must be served and a notice of lis pendens must be recorded
2.28 in the office of the county recorder or filed in the office of the registrar of titles in each
2.29 county in which the real estate affected is located within seven years after the date of
2.30 recording or filing of the notice under clause (1) or (6).

2.31 County recorders and registrars of titles shall accept for recording or filing a notice
2.32 conforming with this subdivision and charge a fee corresponding with the fee charged for
2.33 filing a notice of lis pendens of similar length. The notice may be discharged in the same

- 3.1 manner as a notice of lis pendens and when discharged, together with the information
- 3.2 included with it, ceases to constitute either actual or constructive notice.