S.F. No. 1162, 1st Engrossment - 87th Legislative Session (2011-2012) [S1162-1]

SENATE STATE OF MINNESOTA EIGHTY-SEVENTH LEGISLATURE

S.F. No. 1162

(SENATE AUTHORS: INGEBRIGTSEN, Dibble and Limmer)

DATE	D-PG	OFFICIAL STATUS
04/11/2011	1266	Introduction and first reading
		Referred to Judiciary and Public Safety
04/28/2011	1528a	Comm report: To pass as amended
	1539	Second reading
05/10/2011	1953	General Orders: To pass
05/12/2011	2000	Calendar: Third reading Passed
05/21/2011	3037	Returned from House
		Presentment date 05/23/11
	3579	Governor's action Approval 05/24/11
	3579	Secretary of State Chapter 58 05/24/11
		Effective date 08/01/11

1.1	A bill for an act
1.2	relating to real property; landlord and tenant; clarifying application of foreclosure
1.3	provisions for residential tenants; amending Minnesota Statutes 2010, section
1.4	504B.285, subdivision 1a.

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

Section 1. Minnesota Statutes 2010, section 504B.285, subdivision 1a, is amended to
read:

Subd. 1a. Grounds when the person holding over is a tenant in a foreclosed 1.8 residential property. (a) For any eviction action commenced on or before December 31, 1.9 2012, with respect to residential real property or a dwelling where the person holding the 1.10 residential real property or dwelling after the expiration of the time for redemption on 1.11 foreclosure of a mortgage was a tenant during the redemption period under a lease of any 1.12 duration, and the lease began after the date the mortgage was executed, but prior to the 1.13 expiration of the time for redemption, the immediate successor in interest must provide 1.14 at least 90 days' written notice to vacate, given no sooner than the date of the expiration 1.15 of the time for redemption, and effective no sooner than 90 days after the date of the 1.16 expiration of the time for redemption, provided that the tenant pays the rent and abides 1.17 1.18 by all terms of the lease. (b) For any eviction action commenced on or before December 31, 2012, with 1.19

<u>respect to residential real property or a dwelling</u> where the term of a bona fide lease
extends more than 90 days beyond the date of the expiration of the time for redemption,
the immediate successor in interest must allow the tenant to occupy the premises until
the end of the remaining term of the lease, and provide at least 90 days' written notice to
vacate, effective no sooner than the date the lease expires, provided that the tenant pays the

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rent and abides by all terms of the lease, except if the immediate successor in interest or an
immediate subsequent bona fide purchaser will occupy the unit as the primary residence,
the immediate successor in interest must provide at least 90 days' written notice to vacate,
given no sooner than the date of the expiration of the time for redemption, effective no
sooner than 90 days after the date of the expiration of the time for redemption, provided
that the tenant pays the rent and abides by all terms of the lease.

2.7

For purposes of this section, a "bona fide lease" means:

2.8 (1) the mortgagor or the child, spouse, or parent of the mortgagor is not the tenant;

2.9

(2) the lease or tenancy was the result of an arm's-length transaction; and

2.10 (3) the lease or tenancy requires the receipt of rent that is not substantially less than
2.11 fair market rent for the property or the unit's rent is reduced or subsidized by a federal,
2.12 state, or local subsidy.

(c) For any eviction action commenced on or before December 31, 2012, in the case 2.13 of with respect to residential real property or a dwelling involving a tenancy subject 2.14 2.15 to section 8 of the United States Housing Act of 1937, as amended, where the term of the lease extends more than 90 days beyond the date of the expiration of the time for 2.16 redemption, the immediate successor in interest must allow the tenant to occupy the 2.17 premises until the end of the remaining term of the lease and provide at least 90 days' 2.18 written notice to vacate, effective no sooner than the date the lease expires, provided that 2.19 the tenant pays the rent and abides by all terms of the lease, except if the immediate 2.20 successor in interest will occupy the unit as the primary residence, the immediate 2.21 successor in interest must provide at least 90 days' written notice to vacate, given no 2.22 2.23 sooner than the date of the expiration of the time for redemption, effective no sooner than 90 days after the date of the expiration of the time for redemption, provided that the tenant 2.24 pays the rent and abides by all terms of the lease. 2.25