

1.1 A bill for an act

1.2 relating to real property; modifying time for requesting a hearing on an order to  
1.3 secure a building; modifying notice of sale requirements; authorizing political  
1.4 subdivisions to recover costs associated with obtaining a five-week redemption  
1.5 period; amending Minnesota Statutes 2008, sections 580.30, subdivision 1;  
1.6 582.03, subdivision 1; 582.032, by adding a subdivision; Minnesota Statutes  
1.7 2009 Supplement, sections 463.251, subdivision 3; 580.04.

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

1.9 Section 1. Minnesota Statutes 2009 Supplement, section 463.251, subdivision 3,  
1.10 is amended to read:

1.11 Subd. 3. **Securing building by city; lien.** If the owner of the building or a holder of  
1.12 the sheriff's certificate of sale fails to either comply or provide to the governing body a  
1.13 reasonable plan and schedule to comply with an order issued under subdivision 2 or to  
1.14 request a hearing on the order within ~~14~~ six days after the order is served, the governing  
1.15 body shall cause the building to be properly secured and the cost of securing the building  
1.16 may be charged against the real estate as provided in section 463.21. In the metropolitan  
1.17 area, as defined in section 473.121, subdivision 2, the governing body may work with  
1.18 neighborhood associations to develop and implement plans to secure vacant buildings in  
1.19 a timely and cost-effective fashion. The city may use rehabilitation and revitalization  
1.20 funds in implementing this section.

1.21 Sec. 2. Minnesota Statutes 2009 Supplement, section 580.04, is amended to read:

1.22 **580.04 REQUISITES OF NOTICE.**

1.23 (a) Each notice shall specify or contain:

2.1 (1) the name of the mortgagor, the mortgagee, each assignee of the mortgage, if any,  
2.2 and the original or maximum principal amount secured by the mortgage;

2.3 (2) the date of the mortgage, and when and where recorded, except where the  
2.4 mortgage is upon registered land, in which case the notice shall state that fact, and when  
2.5 and where registered;

2.6 (3) the amount claimed to be due on the mortgage on the date of the notice;

2.7 (4) a description of the mortgaged premises, conforming substantially to that  
2.8 contained in the mortgage, and the commonly used street address of the mortgaged  
2.9 premises;

2.10 (5) the time and place of sale;

2.11 (6) the time allowed by law for redemption by the mortgagor, the mortgagor's  
2.12 personal representatives or assigns; ~~and~~

2.13 (7) the name, address, and telephone number of a current representative of the  
2.14 mortgagee or an assignee of the mortgage who has the authority to negotiate a resolution  
2.15 of the foreclosure and respond to property maintenance concerns of the city or town in  
2.16 which the premises is located; and

2.17 (8) for mortgaged premises described in section 582.032, subdivision 1, the following  
2.18 statement in capital letters: "THE TIME ALLOWED BY LAW FOR REDEMPTION  
2.19 BY THE MORTGAGOR, THE MORTGAGOR'S PERSONAL REPRESENTATIVES  
2.20 OR ASSIGNS, MAY BE REDUCED TO FIVE WEEKS IF A JUDICIAL ORDER IS  
2.21 ENTERED UNDER MINNESOTA STATUTES, SECTION 582.032, DETERMINING,  
2.22 AMONG OTHER THINGS, THAT THE MORTGAGED PREMISES ARE IMPROVED  
2.23 WITH A RESIDENTIAL DWELLING OF LESS THAN FIVE UNITS, ARE NOT  
2.24 PROPERTY USED IN AGRICULTURAL PRODUCTION, AND ARE ABANDONED."

2.25 (b) If the real estate is an owner-occupied, single-family dwelling, the notice must  
2.26 also specify the date on or before which the mortgagor must vacate the property if the  
2.27 mortgage is not reinstated under section 580.30 or the property redeemed under section  
2.28 580.23. The notice must state that the time to vacate the property is 11:59 p.m. on the  
2.29 specified date.

2.30 Sec. 3. Minnesota Statutes 2008, section 580.30, subdivision 1, is amended to read:

2.31 Subdivision 1. **Reinstatement.** In any proceedings for the foreclosure of a real estate  
2.32 mortgage, whether by action or by advertisement, if at any time before the sale of the  
2.33 premises under such foreclosure the mortgagor, the owner, or any holder of any subsequent  
2.34 encumbrance or lien, or any one for them, shall pay or cause to be paid to the holder of the  
2.35 mortgage so being foreclosed, or to the attorney foreclosing the same, or to the sheriff of

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3.1 the county, the amount actually due thereon and constituting the default actually existing  
3.2 in the conditions of the mortgage at the time of the commencement of the foreclosure  
3.3 proceedings, including insurance, delinquent taxes, if any, upon the premises, interest to  
3.4 date of payment, cost of publication and services of process or notices, attorney's fees not  
3.5 exceeding \$150 or one-half of the attorney's fees authorized by section 582.01, whichever  
3.6 is greater, any costs incurred when an order to reduce a mortgagor's redemption period  
3.7 under section 582.032 is entered, including amounts awarded under section 582.032,  
3.8 subdivision 9, together with other lawful disbursements necessarily incurred in connection  
3.9 with the proceedings by the party foreclosing, then, and in that event, the mortgage shall be  
3.10 fully reinstated and further proceedings in such foreclosure shall be thereupon abandoned.

3.11 Sec. 4. Minnesota Statutes 2008, section 582.03, subdivision 1, is amended to read:

3.12 Subdivision 1. **Allowable costs collectable upon redemption.** The holder of any  
3.13 sheriff's certificate of sale, from a foreclosure by advertisement or action of a mortgage  
3.14 or lien or execution, or the holder of any certificate of redemption as a junior creditor  
3.15 during the period of redemption, may pay and claim the following on redemption: any  
3.16 taxes or assessments on which any penalty would otherwise accrue, and any costs of a  
3.17 hazard insurance policy for the holder's interest in the mortgaged premises incurred for  
3.18 the period of holding the sheriff's certificate, any costs incurred when an order to reduce  
3.19 a mortgagor's redemption period under section 582.032 is entered, including amounts  
3.20 awarded under section 582.032, subdivision 9, any fees paid to the county recorder,  
3.21 registrar of titles, or sheriff to obtain or record the certificates of sale or redemption or  
3.22 notices of intention to redeem, any reasonable fees paid to licensed real estate brokers for  
3.23 broker price opinions or to licensed appraisers for appraisals, any deed tax paid to file a  
3.24 certificate of redemption, reasonable attorney fees incurred after the foreclosure sale not  
3.25 to exceed one-half of the amount authorized by section 582.01, any costs incurred under  
3.26 section 582.031, and any interest or installment of principal upon any prior or superior  
3.27 mortgage, lien, or contract for deed in default or that becomes due during the period of  
3.28 redemption. In all such cases, the costs so paid and claimed due, with interest, shall be a  
3.29 part of the sum required to be paid to redeem from such sale. No other costs, fees, interest,  
3.30 or other amount may be added to the amount necessary to redeem.

3.31 Sec. 5. Minnesota Statutes 2008, section 582.032, is amended by adding a subdivision  
3.32 to read:

3.33 Subd. 9. **Costs.** Upon motion of a political subdivision that initiated a proceeding  
3.34 under subdivision 4 or intervened under subdivision 5, if an order is entered to reduce

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4.1 the redemption period to five weeks, the court shall award costs and disbursements to  
4.2 the political subdivision. The party foreclosing the mortgage or holding the sheriff's  
4.3 certificate of sale is liable for an award under this subdivision but may recover these  
4.4 amounts upon reinstatement or redemption as provided in section 580.30, subdivision 1,  
4.5 or 582.03, subdivision 1.