

## PART II

## PRIVATE RIGHTS

## Property Interests and Liens

## CHAPTER 500

## ESTATES IN REAL PROPERTY

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**500.01 DIVISION AS TO QUANTITY.** Estates in lands are divided into estates of inheritance, estates for life, estates for years, and estates at will and by sufferance.

[R. L. s. 3191] (8032)

**500.02 ESTATES OF INHERITANCE.** Every estate of inheritance shall continue to be termed a fee simple, or fee; and every such estate, when not defeasible or conditional, shall be a fee simple absolute or an absolute fee.

[R. L. s. 3192] (8033)

**500.03 EFFECT OF CONVEYANCE TO GRANTEE IN FEE TAIL.** In all cases where any person, if this chapter had not been passed, would at any time hereafter become seized in fee tail of any lands, tenements, or hereditaments by virtue of any devise, gift, grant, or other conveyance heretofore made, or hereafter to be made, or by any other means, such person, instead of becoming seized thereof in fee tail, shall be deemed and adjudged to be seized thereof as in fee simple.

[R. L. s. 3193] (8034)

**500.04 CONVEYANCE BY OWNER OF FEE TAIL ESTATE.** Where lands, tenements, or hereditaments heretofore have been devised, granted, or otherwise conveyed by a tenant in tail, and the person to whom such devise, grant, or other conveyance has been made, his heirs or assigns, have from the time such devise took effect, or from the time such grant or conveyance was made, to the day of passing this chapter, been in the uninterrupted possession of such lands, tenements, or hereditaments, and claiming and holding the same under or by virtue of such devise, grant, or other conveyance, they shall be deemed as good and legal to all intents and purposes as if such tenant in tail had, at the time of making such devise, grant, or other conveyance, been seized in fee simple of such lands, tenements, or hereditaments, any law to the contrary notwithstanding.

[R. L. s. 3194] (8035)

**500.05 DIVISION OF REALTY OR PERSONALTY.** Estates of inheritance and for life shall be denominated estates of freehold; estates for years shall be denominated chattels real; and estates at will or by sufferance shall be chattel interests, but shall not be liable as such to sale on execution.

An estate for the life of a third person, whether limited to heirs or otherwise, shall be deemed a freehold only during the life of the grantee or devisee, but after his death it shall be deemed a chattel real.

[R. L. ss. 3195, 3196] (8036, 8037)

**500.06 DIVISION AS TO TIME.** Estates, as respects the time of their enjoyment, are divided into estates in possession and estates in expectancy.

[R. L. s. 3197] (8038)

**500.07 ESTATES IN POSSESSION.** An estate in possession is where the owner has an immediate right to the possession of the land; an estate in expectancy is where the right to the possession is postponed to a future period.

[R. L. s. 3197] (8038)

**500.08 ESTATES IN EXPECTANCY.** Estates in expectancy are divided into, (1) reversions, and (2) estates commencing at a future day, denominated future estates. All expectant estates, except such as are enumerated and defined in this chapter, are abolished.

[R. L. ss. 3198, 3231] (8039, 8072)

**500.09 REVERSIONS.** A reversion is the residue of an estate left in the grantor, or his heirs, or in the heirs of a testator, commencing in possession on the determination of a particular estate granted or devised.

[R. L. s. 3201] (8042)

**500.10 FUTURE ESTATE; STATUTORY REMAINDERS.** A future estate is an estate limited to commence in possession at a future day, either without the intervention of a precedent estate, or on the determination, by lapse of time or otherwise, of a precedent estate created at the same time.

[R. L. s. 3199] (8040)

**500.11 FUTURE ESTATES; INCLUSIVENESS.** Subdivision 1. **Common law remainders.** When a future estate is dependent upon a precedent estate, it may be termed a remainder, and may be created and transferred by that name.

When a remainder on an estate for life or for years is not limited on a contingency defeating or avoiding such precedent estate, it shall be construed as intended to take effect only on the death of the first taker, or at the expiration, by lapse of time, of such term of years.

**Subd. 2. Conditional limitations; shifting interests.** A remainder may be limited on a contingency which, in case it should happen, will operate to abridge or determine the precedent estate; and every such remainder shall be construed a conditional limitation, and have the same effect as such limitation would have by law.

**Subd. 3. Springing interests.** Subject to the rules established in this chapter, a freehold estate, as well as a chattel real, may be created to commence at a future day; an estate for life may be created in a term of years, and a remainder limited thereon.

[R. L. ss. 3200, 3213, 3216, 3218] (8041, 8054, 8057, 8059)

**500.12 FUTURE ESTATES; CONTINGENT.** Future estates are either vested or contingent. They are contingent while the person to whom, or the event upon which, they are limited to take effect remains uncertain.

[R. L. s. 3202; 1943 c. 69 s. 1] (8043)

**500.13 FUTURE ESTATES; RESTRICTIONS ON CREATION.** Subdivision 1. **Effect of suspension of power of alienation.** Every future estate is void in its creation, which suspends the absolute power of alienation for a longer period than is prescribed in this chapter; such power of alienation is suspended when there are no persons in being by whom an absolute fee in possession can be conveyed.

**Subd. 2. Limit of suspension; exception.** The absolute power of alienation shall not be suspended, by any limitation or condition, for a longer period than during the continuance of two lives in being at the creation of the estate, except that a contingent remainder in fee may be created on a prior remainder in fee, to take effect in the event that the persons to whom the first remainder is limited die under the age of 21 years, or upon any other contingency by which the estate of such persons may be determined before they attain their full age.

Subds. 3, 4, 5, 6. [Repealed, 1947 c 207 s 1]

**Subd. 7. Application of restrictions to chattels real.** All provisions of this chapter relative to future estates apply to limitations of chattels real as well as freehold estates, so that the absolute power of alienation of a term of years shall not be suspended for a longer period than the absolute power of alienation can be suspended in respect to a fee.

[R L s 3203, 3204, 3205, 3206, 3207, 3208, 3209, 3210, 3212; 1947 c 207 s 2] (8044, 8045, 8046, 8047, 8048, 8049, 8050, 8051, 8053)

**500.14 FUTURE ESTATES; CONSTRUCTION, VALIDITY, AND EFFECT OF CREATING INSTRUMENTS.** Subdivision 1. **Failure of heirs or issue.** Unless

a different intent is effectively manifested, whenever property is limited upon the death of any person without "heirs" or "heirs of the body" or "issue" general or special, or "descendants" or "offspring" or "children" or any such relative described by other terms, the limitation is to take effect only when that person dies not having such relative living at the time of his death, or in gestation and born alive thereafter, and is not a limitation to take effect upon the indefinite failure of such relatives; nor, unless a different intent is effectively manifested, does the limitation mean that death without such relative is restricted in time to the lifetime of the creator of the interest.

**Subd. 2. Alternative future estates.** Two or more future estates may also be created, to take effect in the alternative, so that if the first in order fails to vest the next in succession shall be substituted for it, and take effect accordingly.

**Subd. 3. Probability of contingency.** No future estate, otherwise valid, shall be void on the ground of the probability or improbability of the contingency on which it is limited to take effect.

**Subd. 4. Certain remainders vest by purchase.** When a remainder is limited to the heirs, or heirs of the body, of a person to whom a life estate in the same premises is given, the persons who, on the termination of the life estate, are the heirs or heirs of the body of such tenant for life shall be entitled to take as purchasers, by virtue of the remainder so limited to them. No conveyance, transfer, devise, or bequest of an interest, legal or equitable, in real or personal property, shall fail to take effect by purchase because limited to a person or persons, howsoever described, who would take the same interest by descent or distribution.

**Subd. 5. Posthumous children as remaindermen.** When a future estate is limited to heirs, or issue, or children, posthumous children shall be entitled to take in the same manner as if living at the death of their parent.

**Subd. 6. Effect of posthumous birth on event of "death without issue."** A future estate, depending on the contingency of the death of any person without heirs or issue or children, shall be defeated by the birth of a posthumous child of such person capable of taking by descent.

[*R. L. ss. 3211, 3214, 3215, 3217, 3219, 3220; 1939 c. 90; 1939 c. 378*] (8052-1, 8055, 8056, 8058, 8060, 8061)

**500.15 FUTURE ESTATES; PROTECTION FROM DESTRUCTIBILITY RULES.** Subdivision 1. **Destruction of precedent estate by act of its owner.** No expectant estate can be defeated or barred by any alienation or other act of the owner of the intermediate or precedent estate, nor by any destruction of such precedent estate, by disseizen, forfeiture, surrender, merger, or otherwise.

**Subd. 2. Exception.** Subdivision 1 shall not be construed to prevent an expectant estate from being defeated in any manner, or by any act or means, which the party creating such estate has, in the creation thereof, provided or authorized; nor shall an expectant estate thus liable to be defeated be on that ground adjudged void in its creation.

**Subd. 3. Premature determination of precedent estate.** No remainder, valid in its creation, shall be defeated by the determination of the precedent estate before the happening of the contingency on which the remainder is limited to take effect; but, should such contingency afterward happen, the remainder shall take effect in the same manner and to the same extent as if the precedent estate had continued to the same period.

[*R. L. ss. 3221, 3222, 3223*] (8062, 8063, 8064)

**500.16 ALIENABILITY AND DESCENDIBILITY OF EXPECTANT ESTATES INCLUDING REVERSIONARY POSSIBILITIES.** Expectant estates are descendible, devisable, and alienable in the same manner as estates in possession; and hereafter contingent rights of reentry for breach of conditions subsequent, and rights to possession for breach of conditions subsequent after breach but before entry made, and possibilities of reverter, shall be descendible, devisable, and alienable in the same manner as estate in possession.

[*R. L. s. 3224; 1937 c. 487 s. 2*] (8065)

**500.17 FUTURE ESTATES; RENTS AND PROFITS.** Subdivision 1. **Disposal; rules governing.** Dispositions of the rents and profits of lands, to accrue and be received at any time subsequent to the execution of the instrument creating such disposition, shall be governed by the rules established in this chapter in relation to future estates in lands.

**Subd. 2. Accumulation.** Where the controlling will or other written instrument permits accumulation, either expressly or by necessary implication, rents and profits from real estate may be accumulated to the same extent and for the same period permitted by law for the accumulation of income from personal property. This section shall not be deemed to extend the period during which the power of alienation may be suspended under the provisions of section 500.13. Where any will or other instrument authorizes accumulation beyond the period permissible under this section, such authorization shall be void only as to the excess period.

Reasonable sums set aside for depreciation and depletion shall not be deemed an accumulation within the meaning of this section.

**Subd. 3.** [Repealed, 1965 c 682 s 2]

**Subd. 4. Support of minor beneficiaries.** When such rents and profits are directed to be accumulated for the benefit of infants entitled to the expectant estate, and such infants are destitute of other sufficient means of support and education, the district court, upon the application of their guardian, may direct a suitable sum, out of such rents and profits, to be applied to their maintenance and education.

**Subd. 5. Ownership in case of valid suspension of the power of alienation.** When, in consequence of a valid limitation of an expectant estate, there is a suspension of the power of alienation, or of ownership, during the continuance of which the rents and profits are undisposed of, and no valid direction for their accumulation is given, such rents and profits shall belong to the person presumptively entitled to the next eventual estate.

**Subd. 6. Accumulations of rents and profits of real estate held by trustee.** The provisions of this section shall not apply to the accumulations of rents and profits of real estate held or owned by a trustee or trustees of a trust forming a part of a stock bonus, pension, retirement or profit-sharing plan or fund exempt from tax under the provisions of the Internal Revenue Code of the United States, and rents and profits of real estate held or owned by any such trustee or trustees may be accumulated without restriction as to time.

[R L s 3225, 3226, 3227, 3228, 3229; 1953 c 424 s 1; 1965 c 682 s 1] (8066, 8067, 8068, 8069, 8070)

**500.18 COMMENCEMENT OF EXPECTANT ESTATES.** The delivery of the grant, where an expectant estate is created by grant, and, where it is created by devise, the death of the testator, shall be deemed the time of the creation of the estate.

[R. L. s. 3230] (8071)

**500.19 DIVISION.** Subdivision 1. **According to number.** Estates, in respect to the number and connection of their owners, are divided into estates in severalty, in joint tenancy, and in common; the nature and properties of which, respectively, shall continue to be such as are now established by law, except so far as the same may be modified by the provisions of this chapter.

**Subd. 2. Construction of grants and devises.** All grants and devises of lands, made to two or more persons, shall be construed to create estates in common, and not in joint tenancy, unless expressly declared to be in joint tenancy. This section shall not apply to mortgages, nor to devises or grants made in trust, or to executors.

[R. L. ss. 3232, 3233] (8073, 8074)

**500.20 DEFEASIBLE ESTATES.** Subdivision 1. **Nominal conditions and limitations.** When any conditions annexed to a grant, devise or conveyance of land are, or shall become, merely nominal, and of no actual and substantial benefit to the party or parties to whom or in whose favor they are to be performed, they may be wholly disregarded; and a failure to perform the same shall in no case operate as a basis of forfeiture of the lands subject thereto.

**Subd. 2. Restriction of duration of condition.** All covenants, conditions, or restrictions hereafter created by any other means, by which the title or use of real property is affected, shall cease to be valid and operative 30 years after the date of the deed, or other instrument, or the date of the probate of the will, creating them; and after such period of time they may be wholly disregarded.

**Subd. 3. Time to assert power of termination.** Hereafter any right to reenter or to repossess land on account of breach made in a condition subsequent shall be

barred unless such right is asserted by entry or action within six years after the happening of the breach upon which such right is predicated.

[*R. L. s. 3234; 1937 c. 487 s. 1*] (8075)

NOTE: See Marketable Title Act, Section 541.023.

**500.21 APPLICATION TO GROUND LEASE.** The provisions of sections 500.16 and 500.20 shall not apply to so-called ground leases providing for the construction by the lessee of buildings or other structures upon the lands of the lessor.

[*1937 c. 487 s. 3*] (8075-1)

**500.22 RESTRICTIONS ON ACQUISITION OF TITLE.** Subdivision 1. **By aliens and non-American corporations.** Except as hereinafter provided, no person, unless he be a citizen of the United States or has declared his intention to become a citizen, and no corporation, unless created by or under the laws of the United States or of some state thereof, shall hereafter acquire lands, or any interest therein, exceeding 90,000 square feet, except such as have been or may be acquired by devise or inheritance, or by a distribution to stockholders of any assets of a corporation upon dissolution of the corporation or otherwise, and such as may be held as security for indebtedness. The provisions of this section shall not apply to actual settlers upon farms of not more than 160 acres, or to citizens or subjects of a foreign country whose rights to hold land are secured by treaty.

Subd. 2. [Repealed, 1959 c 495 s 3]

Subd. 3. **Corporations engaged in farming.** Except as hereinafter provided, no corporation organized for and engaged in any farming operations, shall acquire more than 5,000 acres of land.

Subd. 4. **Exceptions.** The prohibitions of subdivisions 1 and 3 shall not apply to lands acquired by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise; provided, that all lands so acquired be disposed of within ten years after acquiring title thereto; nor to any railroad corporation; nor to any common carrier; nor to any corporation actually engaged in manufacturing in this state, but such corporation may hold such lands as may be reasonably necessary in the carrying on of its business, provided, that all lands so held by such corporation actually engaged in manufacturing in this state, shall be disposed of within ten years after it shall cease to use the same for the purposes of its business.

Subd. 5. **Effect of violations.** All lands acquired or held in violation of subdivisions 1 to 4 shall be forfeited to the state and the attorney general shall enforce such forfeiture; but no such forfeiture shall be adjudged unless the action to enforce the same be brought within three years after such property has been so acquired or so held by such alien or corporation; and no title to land shall be invalid or liable to forfeiture by reason of the alienage of any former owner or person interested therein.

[*R. L. s. 3235, 3236, 3237, 3238, 3239; 1907 c 439; 1911 c 130 s 1; 1945 c 280 s 1; 1947 c 153 s 1; 1953 c 218 s 1; 1959 c 495 s 1, 2*] (8076, 8077, 8078, 8079, 8080)

#### CORPORATE USE OF AGRICULTURAL LANDS

**500.23 AGRICULTURAL LAND; ECONOMY AND WELFARE OF STATE.** Subdivision 1. **Legislative intent.** The economy of the state and the welfare of all of its residents are dependent upon the availability of agricultural land for use by individuals and families residing in the state. Therefore, the legislature declares that it is necessary to determine the amount of land which is owned or leased by corporations, foreign and domestic, and is used for agricultural purposes.

Subd. 2. **Annual corporation reports.** All corporations, foreign and domestic, which own or lease agricultural land in this state used for the growing of crops or the keeping of poultry or livestock, or which own or lease any land on which poultry or livestock are confined for feeding purposes shall, on or before March 15 of each year commencing 1972, file with the secretary of state a special annual report setting forth:

- (1) The name of the corporation and its place of incorporation;
- (2) The address of the registered office of the corporation in this state, and the name of its registered agent in this state at such address, and, in the case of a foreign corporation, the address of its principal office in its place of incorporation;
- (3) The acreage and location listed by section, township and county of each lot or parcel of land in this state owned or leased by the corporation and used for the growing of crops or the keeping or feeding of poultry or livestock;

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(4) The names and addresses of the executive officers and the board of directors of the corporation, as shown on the records.

Each report required to be filed under this subdivision shall be verified and sworn to by the president or other authorized agent of the corporation filing it. Any person who shall knowingly submit, or who through the proper and due exercise of care and diligence should have known that any submission of information and statements required by this subdivision are false or materially misleading, or who fails or refuses to submit such information and statements, shall be guilty of a gross misdemeanor.

[1971 c 201 s 1, 2]