

(6) any additional outcomes proposed by a nursing facility that the commissioner finds desirable.

Sec. 15. REPEALER.

Minnesota Statutes 1998, sections 256B.03, subdivision 2; 256B.431, subdivisions 2, 2a, 2f, 2h, 2m, 2p, 2q, 3, 3b, 3d, 3h, 3j, 4, 5, 7, 8, 9, 9a, 12, and 24; 256B.48, subdivision 9; 256B.50, subdivision 3; and 256B.74, subdivision 3, are repealed effective July 1, 2000.

Sec. 16. REVISOR INSTRUCTIONS.

In the next and subsequent editions of Minnesota Statutes and Minnesota Rules, the revisor of statutes shall make any necessary statutory cross-reference changes required as a result of the provisions in this bill.

Sec. 17. EFFECTIVE DATE.

The amendment in section 1 to Minnesota Statutes, section 256B.0913, subdivision 5, paragraph (g), is effective July 1, 2000, or upon federal approval of amendments to Minnesota's home and community-based waiver for elderly persons at risk of nursing home level of care, health care financing administration control number 0025.91.R3, whichever occurs later. The remainder of section 1, and sections 2 to 15 are effective July 1, 2000.

Presented to the governor April 27, 2000

Signed by the governor May 1, 2000, 2:45 p.m.

CHAPTER 450—H.F.No. 3047

An act relating to real property; title insurance; modifying mortgage release certificate language to include assignment of rents and profits; modifying common interest ownership resale disclosure certificate requirements; amending Minnesota Statutes 1998, sections 507.401, subdivisions 1, 3, 6, and 7; and 559.17, by adding a subdivision; Minnesota Statutes 1999 Supplement, section 515B.4-107.

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

Section 1. Minnesota Statutes 1998, section 507.401, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** (a) The definitions in this subdivision apply to this section.

(b) "Assignment of rents and profits" means an assignment, whether in a separate document or in a mortgage, of any of the benefits accruing under a recorded or unrecorded lease or tenancy existing, or subsequently created, on property encumbered

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by a mortgage, which is given as additional security for the debt secured by the mortgage.

(c) "Mortgage" means a mortgage or mortgage lien, including any assignment of rents and profits given as additional security for the debt secured by that lien, on an interest in real property in this state given to secure a loan in the original principal amount of ~~\$500,000~~ \$1,500,000 or less.

(e) (d) "Mortgagee" means:

(1) the grantee of a mortgage; or

(2) if a mortgage has been assigned of record, the last person to whom the mortgage has been assigned of record.

(d) (e) "Mortgage servicer" means the last person to whom a mortgagor or the mortgagor's successor in interest has been instructed by a mortgagee to send payments on a loan secured by a mortgage. A person transmitting a payoff statement is the mortgage servicer for the mortgage described in the payment payoff statement.

(e) (f) "Mortgagor" means the grantor of a mortgage.

(g) "Partial release" means the release of specified parcels of land from a mortgage.

(f) (h) "Payoff statement" means a statement of the amount of:

(1) the unpaid balance of a loan secured by a mortgage, including principal, interest, and any other charges properly due under or secured by the mortgage; and

(2) interest on a per day basis for the unpaid balance; or

(2) the portion of the unpaid balance of the loan secured by the mortgage required by the mortgagee or mortgage servicer to be paid as a condition for the issuance of a partial release.

(g) (i) "Record" means to record with the county recorder or file with the registrar of titles.

(h) (j) "Title insurance company" means a corporation or other business entity authorized and licensed to transact the business of insuring titles to interests in real property in this state under chapter 68A.

Sec. 2. Minnesota Statutes 1998, section 507.401, subdivision 3, is amended to read:

Subd. 3. **CONTENTS.** A certificate of release executed under this section must contain substantially all of the following:

(1) the name of the mortgagor, the name of the original mortgagee, and, if applicable, the mortgage servicer, the date of the mortgage, the date of recording, and volume and page or document number in the real property records where the mortgage is recorded, together with similar information for the last recorded assignment of the mortgage;

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(2) if applicable, the date of any assignment of rents and profits, the date of its recording, and its volume and page or document number in the real property records where it has been recorded or filed, together with similar information for the last recorded assignment thereof;

(3) a statement that the mortgage was in the original principal amount of \$500,000 \$1,500,000 or less;

(3) (4) a statement that the person executing the certificate of release is an officer or a duly appointed agent of a title insurance company authorized and licensed to transact the business of insuring titles to interests in real property in this state under chapter 68A;

(4) (5) a statement that the certificate of release is made on behalf of the mortgagor or a person who acquired title from the mortgagor to all or a part of the property described in the mortgage;

(5) (6) a statement that the mortgagee or mortgage servicer provided a payoff statement which was used to make full or partial payment ~~in full~~ of the unpaid balance of the loan secured by the mortgage; and

(6) (7) a statement that full or partial payment ~~in full~~ of the unpaid balance of the loan secured by the mortgage was made in accordance with the written or verbal payoff statement; and

(8) where the certificate of release affects only a portion of the land encumbered by the mortgage, a legal description of the portion being released.

Sec. 3. Minnesota Statutes 1998, section 507.401, subdivision 6, is amended to read:

Subd. 6. **RECORDING.** If a mortgage is recorded in more than one county and a certificate of release is recorded in one of them, a certified copy of the certificate of release may be recorded in another county with the same effect as the original. In all cases, the certificate of release shall be entered and indexed as satisfactions of mortgage and releases of assignments of rents and profits are entered and indexed.

Sec. 4. Minnesota Statutes 1998, section 507.401, subdivision 7, is amended to read:

Subd. 7. **APPLICATION.** This section applies only to a mortgage in the original principal amount of \$500,000 \$1,500,000 or less.

Sec. 5. Minnesota Statutes 1999 Supplement, section 515B.4-107, is amended to read:

515B.4-107 RESALE OF UNITS.

(a) In the event of a resale of a unit by a unit owner other than a declarant, unless exempt under section 515B.4-101(c), the unit owner shall furnish to a purchaser, before execution of any purchase agreement for a unit or otherwise before conveyance, the

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following documents relating to the association or to the master association, if applicable:

(1) copies of the declaration (other than any CIC plat), the articles of incorporation and bylaws, any rules and regulations, and any amendments thereto;

(2) the organizational and operating documents relating to the master association, if any; and

(3) a resale disclosure certificate from the association dated not more than 90 days prior to the date of the purchase agreement or the date of conveyance, whichever is earlier, containing the information set forth in subsection (b).

(b) The resale disclosure certificate shall contain the following information must be in substantially the following form:

(1) a statement disclosing any right of first refusal or other restraint on the free alienability of the unit contained in the declaration, articles of incorporation, bylaws, rules and regulations, or any amendment thereof;

(2) a statement setting forth:

(i) the installments of annual common expense assessments payable with respect to the unit, and the payment schedule;

(ii) the installments of special common expense assessments, if any, payable with respect to the unit, and the payment schedule; and

(iii) any plan approved by the association for levying certain common expense assessments against fewer than all the units pursuant to section 515B.3-115, subsection (h), and the amount and payment schedule for any such common expenses payable with respect to the unit;

(3) a statement of any fees or charges other than assessments payable by unit owners;

(4) a statement of any extraordinary expenditures approved by the association, and not yet assessed, for the current and two succeeding fiscal years;

(5) a statement of the amount of any reserves for maintenance, repair or replacement and of any portions of those reserves designated by the association for any specified projects or uses;

(6) the most recent regularly prepared balance sheet and income and expense statement of the association;

(7) the current budget of the association;

(8) a statement of any unsatisfied judgments against the association and the status of any pending suits in which the association is party;

(9) a detailed description of the insurance coverage provided for the benefit of unit owners, including a statement as to which, if any, of the items referred to in section 515B.3-113, subsection (b), are insured by the association;

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(10) a statement as to whether the board has notified the unit owner (i) that any alterations or improvements to the unit or to the limited common elements assigned thereto violate any provision of the declaration or (ii) that the unit is in violation of any governmental statute, ordinance, code or regulation;

(11) a statement of the remaining term of any leasehold estate affecting the common interest community and the provisions governing any extension or renewal thereof; and

(12) any other matters affecting the unit or the unit owner's obligations with respect to the unit which the association deems material.

COMMON INTEREST COMMUNITY
RESALE DISCLOSURE CERTIFICATE

Name of Common Interest Community:.....

Name of Association:.....

Address of Association:.....

Unit Number(s) (include principal unit and any garage, storage, or other auxiliary unit(s)):.....

The following information is furnished by the association named above according to Minnesota Statutes, section 515B.4-107.

1. There is no right of first refusal or other restraint on the free alienability of the above unit(s) contained in the declaration, bylaws, rules and regulations, or any amendment to them, except as follows:

2. The following periodic installments of common expense assessments and special assessments are payable with respect to the above unit(s):

a. Annual assessment installments: \$..... Due:

b. Special assessment installments: \$..... Due:

c. Unpaid assessments, fines, or other charges:

(1) Annual \$.....

(2) Special \$.....

(3) Fines \$.....

(4) Other Charges \$.....

d. The association has/has not (strike one) approved a plan for levying certain common expense assessments against fewer than all the units according to Minnesota Statutes, section 515B.3-115, subsection (e). If a plan is approved, a description of the plan is attached to this certificate.

3. In addition to the amounts due under paragraph 2, the following additional fees or charges other than assessments are payable by unit owners (include late payment charges, user fees, etc.):

4. There are no extraordinary expenditures approved by the association, and not yet assessed, for the current and two succeeding fiscal years, except as follows:.....

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5. The association has reserved the following amounts for maintenance, repair, or replacement:

The following portions of these reserves are designated for the following specified projects or uses:

6. The following documents are furnished with this certificate according to statute:

- a. The most recent regularly prepared balance sheet and income and expense statement of the association.
- b. The current budget of the association.

7. There are no unsatisfied judgments against the association, except as follows (identify creditor and amount):

8. There are no pending lawsuits to which the association is a party, except as follows (identify and summarize status):

9. Description of insurance coverages:

a. The association provides the following insurance coverage for the benefit of unit owners: (Reference may be made to applicable sections of the declaration or bylaws; however, any additional coverages should be described in this space)

b. The following described fixtures, decorating items, or construction items within the unit referred to in Minnesota Statutes, section 515B.3-113, subsection (b), are insured by the association (check as applicable):

- ... Ceiling or wall finishing materials
- ... Floor coverings
- ... Cabinetry
- ... Finished millwork
- ... Electrical or plumbing fixtures serving a single unit
- ... Built-in appliances
- ... Improvements and betterments as originally constructed
- ... Additional improvements and betterments installed by unit owners

10. The board of directors of the association has not notified the unit owner (i) that any alterations or improvements to the unit or to the limited common elements assigned to it violate any provision of the declaration; or (ii) that the unit is in violation of any governmental statute, ordinance, code, or regulation, except as follows:.....

11. The remaining term of any leasehold estate affecting the common interest community and the premises governing any extension or renewal of it are as follows:

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12. In addition to the above, the following matters affecting the unit or the unit owner's obligations with respect to the unit are deemed material.

I hereby certify that the foregoing information and statements are true and correct as of

(Date)

By:

Title:

(Association representative)

Address:

Phone Number:

RECEIPT

In addition to the foregoing information furnished by the association, the unit owner is obligated to furnish to the purchaser before execution of any purchase agreement for a unit or otherwise before conveyance, copies of the following documents relating to the association or to the master association (as applicable): the declaration (other than any common interest community plat), articles of incorporation, bylaws, rules and regulations (if any), and any amendments to these documents. Receipt of the foregoing documents, and the resale disclosure certificate, is acknowledged by the undersigned buyer(s).

Dated:

.....

(Buyer)

.....

(Buyer)

(c) If the association is subject to a master association to which has been delegated the association's powers under section 515B.3-102(a)(2), then the financial information required to be disclosed under subsection (b) may be disclosed on a consolidated basis.

(d) The association, within ten days after a request by a unit owner, or the unit owner's authorized representative, shall furnish the certificate required in subsection (a). The association may charge a reasonable fee for furnishing the certificate and any association documents related thereto. A unit owner providing a certificate pursuant to subsection (a) is not liable to the purchaser for any erroneous information provided by the association and included in the certificate.

(e) A purchaser is not liable for any unpaid common expense assessments, including special assessments, if any, not set forth in the certificate required in subsection (a). A purchaser is not liable for the amount by which the annual or special assessments exceed the amount of annual or special assessments stated in the certificate for assessments payable in the year in which the certificate was given, except to the extent of any increases subsequently approved in accordance with the declaration or bylaws. A unit owner is not liable to a purchaser for the failure of the association to provide the certificate, or a delay by the association in providing the certificate in a timely manner.

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Sec. 6. Minnesota Statutes 1998, section 559.17, is amended by adding a subdivision to read:

Subd. 3. SATISFACTION, RELEASE, AND ASSIGNMENT. (a) An assignment of rents and profits under this section, whether in the mortgage or in a separate instrument, shall expire:

(1) with respect to the rents and profits from all of the mortgaged property, upon recording in the office of the county recorder or filing in the office of the registrar of titles of the county where the mortgaged property is located, of a satisfaction of the mortgage or a certificate of release complying with section 507.401 in lieu of a satisfaction of the mortgage; or

(2) with respect to the rents and profits from a portion of the mortgaged property, upon recording in the office of the county recorder or filing in the office of the registrar of titles of the county where that portion of the mortgaged property is located, of a release of that portion of the mortgaged property from the lien of the mortgage, or a certificate of release complying with section 507.401 in lieu of a release of that portion of the mortgaged property.

No separate reassignment of the rents and profits or satisfaction or release of the assignment is required.

(b) An assignment of a mortgage, whether or not the mortgage mentions an assignment of rents and profits, is sufficient to assign both the mortgage and the assignment of rents and profits permitted by this subdivision which secures the debt secured by the mortgage, and no separate assignment of the assignment of rents and profits shall be required.

Sec. 7. APPLICATION.

Sections 1, 2, 3, 4, and 6 apply to all mortgages and assignments of rents and profits, whenever executed, except as to those mortgages and assignments of rents and profits, the rights to which have been fully adjudicated or which are the subject of pending litigation as of the effective date of this act.

Presented to the governor April 27, 2000

Signed by the governor May 1, 2000, 2:47 p.m.

CHAPTER 451—H.F.No. 2833

An act relating to crime; authorizing certain behavioral data on students to be disclosed to the juvenile justice system; providing that when a juvenile has been adjudicated delinquent for certain violations of criminal law that the disposition order shall be shared with certain school officials, law enforcement, and specified others; providing for data sharing between probation officers and school officials for juveniles on probation; amending Minnesota Statutes 1998, section 13.32, subdivision 8; Minnesota Statutes 1999 Supplement, sections 13.99, by adding a

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