

CHAPTER 5—H.F.No. 112

An act relating to real property; making various technical, clarifying, and conforming changes relating to registration of title, liens, and mortgages; amending Minnesota Statutes 2002, sections 481.13, subdivision 3; 508.08; 508.35; 508.52; 508.67, subdivision 1; 508.70, subdivisions 1, 2, by adding subdivisions; 508A.08; 508A.35; 508A.52; 508A.70; 559.17, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 507.

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

ARTICLE 1

TORRENS PROVISIONS

Section 1. Minnesota Statutes 2002, section 508.08, is amended to read:

508.08 APPLICATION, CONTENTS LAND INCLUDED.

Subdivision 1. **ADJACENT LAND SEPARATE TRACTS; COMMON OWNER.** Any number of adjoining tracts of land in the same county and owned by the same person and in the same right, or any number of tracts of land in the same county having the same chain of title, and belonging to the same person, may be included in one application. When approved by the examiner of titles, nonadjoining tracts of land owned by the same person or persons in the same right having different chains of title may be included in one application.

Subd. 2. **ADJACENT LAND; COMMON TITLE DEFECT.** When approved by the examiner of titles, Owners of adjacent separate tracts of land which have a common title defect may join in one application to register the title to their individual tracts. The application must list separately all of the information required by section 508.06 for the owner or owners of each of the tracts included in the application.

Sec. 2. Minnesota Statutes 2002, section 508.35, is amended to read:

508.35 FORM OF CERTIFICATE.

The certificate of title shall contain the name and residence of the owner, a description of the land, and of the estate of the owner therein, and shall by memorial contain a description of all encumbrances, liens, and interests in which the estate of the owner is subject. It shall state whether the owner is 18 years of age or older and, if under any legal incapacity, the nature of it. It shall also state whether or not the owner is married and, if married, the name of the spouse. In case the land is held in trust or subject to any condition or limitation, it shall state the nature and character of it. It shall be substantially in the following form:

CERTIFICATE OF TITLE

First certificate of title, pursuant to the order of the district court,
judicial district, county of, and state of Minnesota, date.....,

New language is indicated by underline, deletions by ~~strikeout~~.

REGISTRATION

State of Minnesota)

) ss.

County of)

This is to certify that, residing at whose address is, in the of, county of, and state of, is now the owner of an estate, of and in the following described land situated in the county of and state of Minnesota,

Subject to the encumbrances, liens, and interest noted by the memorial underwritten or endorsed hereon; and subject to the following rights or encumbrances subsisting, as provided in Laws 1905, chapter 305, section 24, namely:

- (1) Liens, claims, or rights arising under the laws or the Constitution of the United States, which the statutes of this state cannot require to appear of record;
- (2) Any real property tax or special assessment;
- (3) Any lease for a period not exceeding three years, when there is actual occupation of the premises under the lease;
- (4) All rights in public highways upon the land;
- (5) Such right of appeal or right to appear and contest the application as is allowed by law;
- (6) The rights of any person in possession under deed or contract for deed from the owner of the certificate of title;
- (7) Any outstanding mechanics lien rights which may exist under sections 514.01 to 514.17.

That the said (is/is not) of the age of 18 years or older, is under no legal incapacity except and is (single/married to); who (is/is not) of the age of 18 years or older and is under no legal incapacity except

In witness whereof, I have hereunto subscribed my name and affixed the seal of my office, this day of,

.....
Registrar of Titles, in and for the county of and State of Minnesota.

All certificates issued subsequent to the first certificate of title shall be in like form except that they shall be entitled "Transfer from number (here give the number of the next previous certificate relating to the same land)," and shall also contain the words "Originally registered (date, volume, and page of registration)."

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 3. Minnesota Statutes 2002, section 508.52, is amended to read:

508.52 CONVEYANCE; CANCELLATION OF OLD AND ISSUANCE OF NEW CERTIFICATE.

An owner of registered land who desires to convey the land, or a portion thereof, in fee, shall execute a deed of conveyance, and file the deed with the registrar. The registrar shall require an affidavit by the grantee, or some person in the grantee's behalf, which affidavit shall set forth the name and residence of the grantee, whether the grantee is 18 years of age or older, and whether the grantee is or is not under legal incapacity, whether or not married, and, if married, the name of the spouse. The deed of conveyance shall be filed and endorsed with the number and place of registration of the certificate of title. Before canceling the outstanding certificate of title the registrar shall show by memorial thereon the registration of the deed on the basis of which it is canceled. The encumbrances, claims, or interests adverse to the title of the registered owner shall be stated upon the new certificate, except so far as they may be simultaneously released or discharged. The certificate of title shall be marked "Canceled" by the registrar, who shall enter in the register a new certificate of title to the grantee and prepare and deliver to the grantee a copy of the new certificate of title. If a deed in fee is for a portion of the land described in a certificate of title, the memorial of the deed entered by the registrar shall include the legal description contained in the deed and the registrar shall enter a new certificate of title to the grantee for the portion of the land conveyed and, except as otherwise provided in this section, issue a residue certificate of title to the grantor for the portion of the land not conveyed. The registrar shall prepare and deliver to each of the parties a copy of their respective certificates of title. In lieu of canceling the grantor's certificate of title and issuing a residue certificate to the grantor for the portion of the land not conveyed, the registrar may if the grantor's deed does not divide a parcel of unplatted land, and in the absence of a request to the contrary by the registered owner, mark by the land description on the certificate of title "Part of land conveyed, see memorials." The fee for a residue certificate of title shall be paid to the registrar only when the grantor's certificate of title is canceled after the conveyance by the grantor of a portion of the land described in the grantor's certificate of title. When two or more successive conveyances of the same property are filed for registration on the same day the registrar may enter a certificate in favor of the grantee or grantees in the last of the successive conveyances, and the memorial of the previous deed or deeds entered on the prior certificate of title shall have the same force and effect as though the prior certificate of title had been entered in favor of the grantee or grantees in the earlier deed or deeds in the successive conveyances. The fees for the registration of the earlier deed or deeds shall be the same as the fees prescribed for the entry of memorials. The registrar of titles, with the consent of the transferee, may mark "See memorials for new owner(s)" by the names of the registered owners on the certificate of title and also add to the memorial of the transferring conveyance a statement that the memorial shall serve in lieu of a new certificate of title in favor of the grantee or grantees therein noted and may refrain from canceling the certificate of title until the time it is canceled by a subsequent transfer, and the memorial showing such transfer of title shall have the same effect as the entry of a new certificate of title for the land described in the certificate of title; the fee for

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the registration of a conveyance without cancellation of the certificate of title shall be the same as the fee prescribed for the entry of a memorial.

Sec. 4. Minnesota Statutes 2002, section 508.67, subdivision 1, is amended to read:

Subdivision 1. **COURT ORDER.** Upon the expiration of the time allowed by law for redemption of registered land, after it has been set off, or sold on execution, or taken or sold for the enforcement of any lien, including a tax lien, or charge of any nature, the person who claims under such execution, or under any certificate, deed, or other instrument made in the course of proceedings to enforce such execution or lien, may apply to the court for an order directing the entry of a new certificate to that person, and upon such notice as the court may require, the petition shall be heard and a proper order rendered therein. ~~In case the claim of title is based upon a tax certificate, tax or assessment deed, the petition shall be filed with the court administrator, who shall docket the same in the land registration docket. The petition shall be referred to the examiner of titles for examination and report in like manner as herein provided for the reference of initial applications for registration. The summons shall be issued in the form and served in the manner as in initial applications. The petition shall be heard by the court and the petitioner shall be required to show affirmatively that all the requirements of the statute to entitle the petitioner to register the title have been complied with. The order shall show the condition of the title to such land and who is the owner thereof. It shall provide, if the petitioner is found to be the owner, for the cancellation of the outstanding certificate of title and the registrar shall issue a new certificate of title for the land in lieu and in place of the outstanding certificate upon presentation to the registrar of a duly certified copy of such order, according to its terms.~~

Sec. 5. Minnesota Statutes 2002, section 508.70, subdivision 1, is amended to read:

Subdivision 1. **PROCEDURE; COSTS.** (a) Any person claiming any right, title, or interest in registered land adverse to the registered owner arising subsequent to or created after the date of the original registration, which does not appear on the certificate of title, may, if no other provision is made in this chapter for there is some impediment to registering the same claimed interest, file with the registrar of titles a verified statement in writing setting forth fully claim of unregistered interest, made by or at the instance of the claimant, stating:

- (1) the alleged right or interest, and;
- (2) how or from whom it was acquired, and a reference to the volume and page of;
- (3) the reason the interest cannot be registered;
- (4) the number of the affected certificate of title of the registered owner, together with;
- (5) a description of the affected land, the adverse claimant's residence, and designating;

New language is indicated by underline, deletions by ~~strikeout~~.

(6) a place at which all notices may be served upon the adverse claimant. Such statement; and

(7) that the claim is not made for the purpose of avoiding the payment of mortgage registry tax under section 287.01 or deed tax under section 287.21, or avoiding obtaining the auditor's statement on an instrument under section 272.12.

(b) If the claimant claims an interest in an unregistered mortgage that is subject to the imposition of mortgage registry tax upon recording, the notice must contain evidence satisfactory to the registrar of titles that the mortgage registry tax has been paid. A copy of the claim must be mailed to the persons whose registered interests are affected by the claim at their addresses shown on the certificate of title. An affidavit stating the names and addresses of the persons to whom copies of the claim were mailed must be attached to the claim. The claim with attached affidavit regarding mailing shall be entitled to registration as an adverse claim, and the court, upon the petition of any party in interest, shall grant a speedy hearing upon the validity of such adverse claim and enter such decision and decree therein order as justice and equity may require. If the court determines that the adverse claim is adjudged to be invalid, the registration thereof shall be canceled it shall order the cancellation of the memorial of the claim. The court may, in any case, award such costs and damages, including a reasonable attorney's fee, as it may deem just.

Sec. 6. Minnesota Statutes 2002, section 508.70, subdivision 2, is amended to read:

Subd. 2. TEN-YEAR LIMIT UNLESS NEW FILING. On and after March 1, 1995, no adverse claim statement, or claim of unregistered interest, shall be notice, either actual or constructive, of any matters referred to in the statement after it has been of record for ten years unless a new statement or claim realleging the facts is filed within the ten-year period upon the affected certificate of title or unless a certified copy of a petition in a subsequent proceeding or a notice of lis pendens to adjudicate the matters alleged in the statement or claim is filed within the ten-year period. The registrar of titles shall not carry forward to new certificates of title the memorial of any statement of adverse claim, or of any claim of unregistered interest, that has terminated as notice pursuant to this subdivision.

Sec. 7. Minnesota Statutes 2002, section 508.70, is amended by adding a subdivision to read:

Subd. 4. DEMAND FOR DISCHARGE. A person whose registered interest is affected by a statement of adverse claim filed before August 1, 2003, or by a claim of unregistered interest, or the person's agent, may file a demand for discharge of the claim of unregistered interest. A copy of the demand must be mailed to the claimant at the address stated on the claim. An affidavit stating the name and address of the person to whom a copy of the demand was mailed must be attached to the demand. The demand must be substantially in the following form:

"DEMAND FOR DISCHARGE OF CLAIM OF UNREGISTERED INTEREST

Date:

New language is indicated by underline, deletions by ~~strikeout~~.

....., having a registered
interest in (name of person having a registered interest)
certificate of title No., hereby demands that

(name of claimant)

either (1) discharge the claimant's claim of unregistered interest regarding the certificate of title, or (2) petition the court for a determination of the validity of the claim pursuant to Minnesota Statutes, section 508.70, subdivision 1. If the claimant fails to do so the claim will terminate and be of no effect 90 days after this demand for discharge is filed with the registrar of titles of county, Minnesota.

.....
(signature of person having registered interest or agent)"

Unless the claimant has petitioned the court as provided in subdivision 1 and filed with the registrar of titles a certified copy of the petition, the claim shall terminate and be of no effect 90 days after the filing of a demand for discharge with attached affidavit regarding mailing. The registrar of titles shall not carry forward to new certificates of title the memorial of any claim that has terminated or has been discharged pursuant to this subdivision.

Sec. 8. Minnesota Statutes 2002, section 508.70, is amended by adding a subdivision to read:

Subd. 5. PRIORITY OF CLAIM. The registration of a claim of unregistered interest has the same effect as to priority as the registration of any instrument under this chapter. If the instrument, under which the claim is made, is filed before the claim has been terminated or discharged, the instrument shall have the same priority as the claim and the registrar of titles shall include in the memorial of the instrument a reference to the document number of the claim.

Sec. 9. Minnesota Statutes 2002, section 508A.08, is amended to read:

508A.08 APPLICATION; CONTENTS LAND INCLUDED.

Subdivision 1. ADJACENT LAND SEPARATE TRACTS; COMMON OWNER. Any number of adjoining tracts of land in the same county and owned by the same person and in the same right, or any number of tracts of land in the same county having the same chain of title, and belonging to the same person may be included in one application. When approved by the examiner of titles, nonadjoining tracts of land owned by the same person or persons in the same right having different chains of title may be included in one application.

Subd. 2. ADJACENT LAND; DIFFERENT OWNERS. When approved by the examiner of titles, Owners of two or more adjacent separate tracts of land in the same county may join in one application to register the title to their individual tracts. The application must list separately all of the information required by section 508A.06 for the owner or owners of each of the tracts included in the application.

New language is indicated by underline, deletions by strikeout.

Sec. 10. Minnesota Statutes 2002, section 508A.35, is amended to read:

508A.35 FORMS OF CPT.

The CPT shall contain the name and residence of the owner, a description of the land and of the estate of the owner, and shall by memorial contain a description of all encumbrances, liens, and interests to which the estate of the owner is subject. ~~It shall state whether the owner is 18 years of age or older and if under any legal incapacity, the nature of it. It shall also state whether or not the owner is married and if married, the name of the spouse.~~ In case the land is held in trust or subject to any condition or limitation, it shall state the nature and character of it. It shall be in substantially the following form:

CERTIFICATE OF POSSESSORY TITLE (CPT)

First Certificate of Possessory Title, pursuant to the Directive of the Examiner of Titles, County of, and State of Minnesota, date,

Registration of Possessory Title

State of Minnesota)

) ss

County of)

This is to certify that, of the whose address is in the of ~~County of~~, and State of, is now the owner of a fee simple estate of and in the following described land situation situated in the county of and state of Minnesota, Subject to the encumbrances, liens, and interests noted by the memorial underwritten or endorsed hereon; and subject to the following rights or encumbrances subsisting, namely:

(1) Liens, claims, or rights arising under the laws or the Constitution of the United States, which the statutes of this state cannot require to appear of record;

(2) Any real property tax or special assessment;

(3) Any lease for a period not exceeding three years, when there is actual occupation of the premises under the lease;

(4) All rights in public highways upon the land;

(5) The rights of any person in possession under deed or contract for deed from the owner of the CPT;

(6) Any claims that may be made pursuant to section 508A.17 within five years from the date of the first CPT; and

(7) Any outstanding mechanics lien rights which may exist under sections 514.01 to 514.17.

In witness whereof, I have hereunto subscribed my name and affixed the seal of my office, this day of,

New language is indicated by underline, deletions by ~~strikeout~~.

.....
Registrar of Titles, in and for the
County of and
State of Minnesota.

All CPTs issued subsequent to the first shall be in like form except that they shall be entitled "Transfer from number (here give the number of the next previous CPT relating to the same land)," and shall also contain the words "Originally registered (date, volume, and page of registration)."

CPTs shall be indexed and maintained in the same manner as provided for certificates of title under chapter 508.

Sec. 11. Minnesota Statutes 2002, section 508A.52, is amended to read:

508A.52 CONVEYANCE; CANCELLATION OF OLD AND ISSUANCE OF NEW CPT.

An owner of land registered under sections 508A.01 to 508A.85 who desires to convey the land, or a portion of it, in fee, shall execute a deed of conveyance, and file the deed with the registrar. The registrar shall require an affidavit by the grantee, or some person in the grantee's behalf, which affidavit shall set forth the name and residence of the grantee, whether the grantee is 18 years of age or older, and whether the grantee is or is not under legal incapacity, whether or not married, and if married, the name of the spouse. The deed of conveyance shall be filed and endorsed with the number and place of registration of the CPT. Before canceling the outstanding CPT, the registrar shall show by memorial on it the registration of the deed on the basis of which it is canceled. The encumbrances, claims, or interests adverse to the title of the registered owner shall be stated upon the new CPT, except so far as they may be simultaneously released or discharged. The CPT shall be marked "Canceled" by the registrar, who shall enter in the register a new CPT to the grantee, and prepare and deliver to the grantee a copy of the new CPT. If a deed in fee is for a portion of the land described in a CPT, the memorial of the deed entered by the registrar shall include the legal description contained in the deed and the registrar shall enter a new CPT to the grantee for the portion of the land conveyed and, except as otherwise provided in this section, issue a residue CPT to the grantor for the portion of the land not conveyed. The registrar shall prepare and deliver to each of the parties a copy of their respective CPTs. In lieu of canceling the grantor's CPT and issuing a residue CPT to the grantor for the portion of the land not conveyed, the registrar may if the grantor's deed does not divide a parcel of unplatted land, and in the absence of a request to the contrary by the registered owner, mark by the land description on the CPT "Part of land conveyed, see memorials." The fee for a residue CPT shall be paid to the registrar only when the grantor's CPT is canceled after the conveyance by the grantor of a portion of the land described in the grantor's CPT. When two or more successive conveyances of the same property are filed for registration on the same day the registrar may enter a CPT in favor of the grantee or grantees in the last of the successive conveyances, and the memorial of the previous deed or deeds entered on the prior CPT shall have the same force and effect as though the prior CPT had been entered in favor of the grantee or

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grantees in the earlier deed or deeds in the successive conveyances. The fees for the registration of the earlier deed or deeds shall be the same as the fees prescribed for the entry of memorials. The registrar of titles, with the consent of the transferee, may mark "See memorials for new owner(s)" by the names of the registered owners on the CPT and also add to the memorial of the transferring conveyance a statement that the memorial shall serve in lieu of a new CPT in favor of the grantee or grantees noted in it and may refrain from canceling the CPT until the time it is canceled by a subsequent transfer, and the memorial showing the transfer of title shall have the same effect as the entry of a new CPT for the land described in the CPT. The fee for the registration of a conveyance without cancellation of the CPT shall be the same as the fee prescribed for the entry of a memorial.

Sec. 12. Minnesota Statutes 2002, section 508A.70, is amended to read:

508A.70 SUBSEQUENT ADVERSE CLAIM, HOW REGISTERED; COSTS.

Subdivision 1. PROCEDURE; COSTS. (a) Any person claiming any right, title, or interest in land registered under sections 508A.01 to 508A.85 ~~adverse to the registered owner of it arising subsequent to or created after the date of the first CPT,~~ may, ~~if no other provision is made in sections 508A.01 to 508A.85 for there is some impediment to registering the same claimed interest,~~ file with the registrar of titles a verified statement in writing setting forth fully claim of unregistered interest, made by or at the instance of the claimant, stating:

- (1) the alleged right or interest, and;
- (2) how or from whom it was acquired, and a reference to the volume and page of;
- (3) the reason the interest cannot be registered;
- (4) the number of the affected CPT of the registered owner, together with;
- (5) a description of the affected land, the adverse claimant's residence, and designating;
- (6) a place at which all notices may be served upon the adverse claimant. The statement; and
- (7) that the claim is not made for the purpose of avoiding the payment of mortgage registry tax under section 287.01 or deed tax under section 287.21, or avoiding obtaining the auditor's statement on an instrument under section 272.12.

(b) If the claimant claims an interest in an unregistered mortgage that is subject to the imposition of mortgage registry tax upon recording, the notice must contain evidence satisfactory to the registrar of titles that the mortgage registry tax has been paid. A copy of the claim must be mailed to the persons whose registered interests are affected by the claim at their addresses shown on the CPT. An affidavit stating the names and addresses of the persons to whom copies of the claim were mailed must be attached to the claim. The claim with attached affidavit regarding mailing shall be

New language is indicated by underline, deletions by strikeout:

entitled to registration as an adverse claim, and the court, upon the petition of any party in interest, shall grant a speedy hearing upon the validity of the adverse claim and enter a decision and decree therein an order as justice and equity may require. If the court determines that the adverse claim is adjudged to be invalid, the registration of it shall be canceled it shall order the cancellation of the memorial of the claim. The court may, in any case, award costs and damages, including a reasonable attorney's fee, as it may deem just.

Subd. 2. DEMAND FOR DISCHARGE. A person whose registered interest is affected by a statement of adverse claim filed before August 1, 2003, or by a claim of unregistered interest, or the person's agent, may file a demand for discharge of the claim of unregistered interest. A copy of the demand must be mailed to the claimant at the address stated on the claim. An affidavit stating the name and address of the person to whom a copy of the demand was mailed must be attached to the demand. The demand must be substantially in the following form: "DEMAND FOR DISCHARGE OF CLAIM OF UNREGISTERED INTEREST.

Date:

....., having a registered interest in (name of person having a registered interest) Certificate of Possessory Title (CPT) No., hereby demands that (name of claimant) either (1) discharge the claimant's claim of unregistered interest regarding the CPT, or (2) petition the court for a determination of the validity of the claim pursuant to Minnesota Statutes, section 508A.70, subdivision 1. If the claimant fails to do so the claim will terminate and be of no effect 90 days after this demand for discharge is filed with the registrar of titles of county, Minnesota.(signature of person having registered interest or agent)"

Unless the claimant has petitioned the court as provided in subdivision 1 and filed with the registrar of titles a certified copy of the petition, the claim shall terminate and be of no effect 90 days after the filing of a demand for discharge with attached affidavit regarding mailing. The registrar of titles shall not carry forward to new CPTs the memorial of any claim that has terminated or has been discharged pursuant to this subdivision.

Subd. 3. PRIORITY OF CLAIM. The registration of a claim of unregistered interest has the same effect as to priority as the registration of any instrument under this chapter. If the instrument under which the claim is made is filed before the claim has been terminated or discharged, the instrument shall have the same priority as the claim and the registrar of titles shall include in the memorial of the instrument a reference to the document number of the claim.

Sec. 13. EFFECTIVE DATE.

This article is effective August 1, 2003.

New language is indicated by underline, deletions by ~~strikeout~~.

ARTICLE 2

MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 2002, section 481.13, subdivision 3, is amended to read:

Subd. 3. **ONE-YEAR LIMITATION.** No lien against real property shall be enforced unless the lienholder, by filing either a complaint or an answer with the court administrator, asserts a lien within one year after the filing of the notice of intention to claim a lien, unless within the one-year time period the owner has agreed to a longer time period to assert the lien. This agreement must be in a written instrument signed by the owner containing the legal description of the affected real property and a description of the recording information of the filed lien and the written instrument must be recorded in the same office as the lien within one year after the filing of the notice of intention to claim a lien. In no event may the lien be asserted more than three years after filing. No person is bound by any judgment in the action unless made a party to the action within the time limit. The absence from the record in the office of the county recorder or the registrar of titles, where appropriate, of a notice of lis pendens of an action after the expiration of the time limit in which the lien could be so asserted is conclusive evidence that the lien may no longer be enforced as to a bona fide purchaser, mortgagee, or encumbrancer without notice. In the case of registered land, the registrar of titles shall refrain from carrying forward to new certificates of title the memorials of lien statements when no notice of lis pendens has been registered within the time limit.

Sec. 2. **[507.402] DISCHARGE OF MORTGAGE FROM CONTRACT FOR DEED SELLER.**

A mortgage that encumbers the seller's interest in a contract for deed ceases to encumber real property described in a deed given pursuant to the contract if the purchaser has not joined in or consented to the mortgage in a recorded instrument and the mortgage is recorded subsequent to the recording of the contract.

Sec. 3. Minnesota Statutes 2002, section 559.17, subdivision 3, is amended to read:

Subd. 3. **EXPIRATION, 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, when an action or proceeding to foreclose the mortgage is barred by section 541.03, or 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

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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. 4. **EFFECTIVE DATE.**

(a) Section 1 is effective the day following final enactment and applies to all liens filed on or after August 1, 2002.

(b) Sections 2 and 3 apply to all mortgages and assignments of rents and profits created before, on, or after August 1, 2003.

Presented to the governor March 27, 2003

Signed by the governor March 31, 2003, 10:30 a.m.

CHAPTER 6—S.F.No. 726

An act relating to the State Building Code; modifying municipal reporting requirements; amending Minnesota Statutes 2002, section 16B.685.

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

Section 1. Minnesota Statutes 2002, section 16B.685, is amended to read:

16B.685 ANNUAL REPORT.

Beginning with the first report filed by ~~April 1~~ June 30, 2003, each municipality shall annually report by ~~April 1~~ June 30 to the department, in a format prescribed by the department, all construction and development-related fees collected by the municipality from developers, builders, and subcontractors if the cumulative fees collected exceeded \$5,000 in the reporting year. The report must include:

- (1) the number and valuation of units for which fees were paid;
- (2) the amount of building permit fees, plan review fees, administrative fees, engineering fees, infrastructure fees, and other construction and development-related fees; and

New language is indicated by underline, deletions by ~~strikeout~~.