

541.023 ACTIONS AFFECTING TITLE TO REAL ESTATE.

Subdivision 1. **Commencement.** As against a claim of title based upon a source of title, which source has then been of record at least 40 years, no action affecting the possession or title of any real estate shall be commenced by a person, partnership, corporation, other legal entity, state, or any political division thereof, to enforce any right, claim, interest, incumbrance, or lien founded upon any instrument, event or transaction which was executed or occurred more than 40 years prior to the commencement of such action, unless within 40 years after such execution or occurrence there has been recorded in the office of the county recorder in the county in which the real estate affected is situated, a notice sworn to by the claimant or the claimant's agent or attorney setting forth the name of the claimant, a description of the real estate affected and of the instrument, event or transaction on which such claim is founded, and stating whether the right, claim, interest, incumbrance, or lien is mature or immature. If such notice relates to vested or contingent rights claimed under a condition subsequent or restriction it shall affirmatively show why such condition or restriction is not, or has not become nominal so that it may be disregarded under the provisions of section 500.20, subdivision 1.

Subd. 2. **Application.** (a) This section shall apply to every right, claim, interest, incumbrance, or lien founded by any instrument, event, or transaction that is at least 40 years old.

(b) This section applies to repurchase options or other rights of repurchase that encumber an interest in land based upon an instrument other than a deed of conveyance granted by a governmental body, agency, or subdivision, unless within 40 years of the recording of the instrument a notice is recorded under subdivision 1. This paragraph does not revive repurchase options or rights of repurchase barred by subdivision 1.

(c) This section does not apply to actions to enforce rights, claims, interests, encumbrances, or liens arising out of private covenants, conditions, or restrictions to which section 500.20, subdivision 2a, or successor statutes do not apply.

Subd. 2a. **Registered property not affected.** (a) Except as provided in paragraph (b), this section does not apply to real property while it remains registered according to chapter 508 or 508A.

(b) This subdivision does not affect an action or proceeding involving the validity of a claim of title based upon a source of title which has been of record at least 40 years if:

(i) the action or proceeding is pending on August 1, 2001, or is commenced before February 1, 2002; and

(ii) a notice of the pendency of the action or proceeding is recorded before February 1, 2002, in the office of the registrar of titles of the county in which the real property affected by the action or proceeding is located.

Subd. 3. **Extent of section.** This section does not extend the right to commence any action beyond the date at which such right would be extinguished by any other statute.

Subd. 4. **Notices, recording; fee.** County recorders are hereby directed to accept for recording notices conforming with the provisions hereof, and to charge therefor fees corresponding with the fees charged for recording notices of lis pendens of similar length. Such notices may be discharged in the same manner as notices of lis pendens, and, when so discharged, shall, together with all information included therein, cease to constitute either actual or constructive notice.

Subd. 5. **Abandonment presumed.** Any claimant under any instrument, event or transaction barred by the provisions of this section shall be conclusively presumed to have abandoned all right, claim, interest, in-

cumbrance, or lien based upon such instrument, event, or transaction; and the title in the name of any adverse claimant to the real estate which would otherwise be affected thereby shall not be deemed unmarketable by reason of the existence of such instrument, event, or transaction; it being hereby declared as the policy of the state of Minnesota that, except as herein provided, ancient records shall not fetter the marketability of real estate.

Subd. 6. Limitations; certain titles not affected. This section shall not affect any rights of the federal government; nor increase the effect as notice, actual or constructive, of any instrument now of record; nor bar the rights of any person, partnership, or corporation in possession of real estate. This section shall not impair the record title or record interest, or title obtained by or through any congressional or legislative grant, of any railroad corporation or other public service corporation or any trustee or receiver thereof or of any educational or religious corporation in any real estate by reason of any failure to record further evidence of such title or interest even though the record thereof is now or hereafter more than 40 years old; nor shall this section require the recording of any notice as provided for in this section as to any undischarged mortgage or deed of trust executed by any such corporation or any trustee or receiver thereof or to any claim or action founded upon any such undischarged mortgage or deed of trust. The exceptions of this subdivision shall not include (1) reservations or exceptions of land for right-of-way or other railroad purposes contained in deeds of conveyance made by a railroad company or by trustees or receivers thereof, unless said reserved or excepted land shall have been put to railroad use within 40 years after the date of said deeds of conveyance, (2) nor any rights under any conditions subsequent or restrictions contained in any such deeds of conveyance.

Subd. 7. Source of title. For the purposes of this section, the words "source of title" as used in subdivision 1 hereof shall mean any deed, judgment, decree, sheriff's certificate, or other instrument which transfers or confirms, or purports to transfer or confirm, a fee simple title to real estate, including any such instrument which purports to transfer, or to confirm the transfer of a fee simple title from a person who was not the record owner of the real estate. However, any such instrument which purports to transfer, or to confirm the transfer of, a fee simple title from a person who was not the record owner of the real estate to the grantee or transferee named in such instrument shall be deemed a source of title "of record at least 40 years" within the meaning of subdivision 1 only if, during the period of 40 years after it was recorded, the following two conditions are fulfilled: (1) another instrument was recorded which purports to transfer a fee simple title from said grantee or transferee to another person and (2) no instrument was recorded which purports to be or confirm a transfer of any interest in the real estate by or from whoever was the record owner in fee simple immediately before the commencement of said period of 40 years. The purpose of the next preceding sentence is to limit the effect of erroneous descriptions or accidental conveyances.

History: 1943 c 529; 1945 c 124 s 1; 1947 c 118 s 1; 1959 c 492 s 1; 1976 c 181 s 2; 1986 c 444; 1989 c 229 s 4; 1993 c 222 art 5 s 4; 2001 c 7 s 86; 2001 c 50 s 31-36; 2005 c 4 s 125-128; 2009 c 86 art 1 s 80