

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3970, A bill for an act relating to civil law; establishing a remedy to extinguish a joint interest in a contract for deed of a perpetrator of domestic abuse or sexual assault; amending Minnesota Statutes 2024, section 559.21, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 500.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

**"Section 1. [559.206] ACTION TO TERMINATE AN INTEREST IN A CONTRACT FOR DEED BY A VICTIM OF DOMESTIC VIOLENCE.**

Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have the meanings given.

(b) "Contract for deed" has the meaning given in section 507.235, subdivision 1a, paragraph (e).

(c) "Criminal sexual assault" means conduct described in sections 609.342 to 609.3451.

(d) "Domestic abuse" has the meaning given under section 518B.01, subdivision 2.

(e) "Harassment" means the conduct described under sections 609.748, subdivision 1, paragraph (a), clause (1), and 609.749, subdivision 2, paragraph (c).

(f) "Qualified third party" means a person, acting in an official capacity, who has provided professional services to a petitioner or a child who resides with the petitioner and is:

(1) a licensed health care professional operating within the scope of the license;

(2) a domestic abuse advocate, as that term is defined in section 595.02, subdivision 1, paragraph (1); or

2.1 (3) a sexual assault counselor, as that term is defined in section 595.02, subdivision 1,  
2.2 paragraph (k).

2.3 (g) "Qualifying document" means:

2.4 (1) a valid order for protection issued under chapter 518B;

2.5 (2) a no contact order currently in effect, issued under section 629.75 or chapter 609;

2.6 (3) a writing produced and signed by a court official, acting in an official capacity,  
2.7 documenting that the petitioner, or a child who resides with the petitioner, is a victim of  
2.8 domestic abuse, criminal sexual assault, sexual extortion, or harassment and naming the  
2.9 perpetrator, if known;

2.10 (4) a writing produced and signed by a city, county, state, or Tribal law enforcement  
2.11 official, acting in an official capacity, documenting that the petitioner, or a child who resides  
2.12 with the petitioner, is a victim of domestic abuse, criminal sexual assault, sexual extortion,  
2.13 or harassment and naming the perpetrator, if known; or

2.14 (5) a sworn written certification.

2.15 (h) "Petitioner" means a person who has a partial interest as a vendee in a contract for  
2.16 deed for the purchase of residential real property with the respondent and is seeking to have  
2.17 the respondent's interest terminated, and:

2.18 (1) is a victim of domestic abuse, criminal sexual assault, sexual extortion, or harassment;  
2.19 or

2.20 (2) resides with a child who is the victim of domestic abuse, criminal sexual conduct,  
2.21 sexual extortion, or harassment.

2.22 (i) "Respondent" means a person who has a partial interest as a vendee with the petitioner  
2.23 in a contract for deed for the purchase of residential real property and whose interest in the  
2.24 contract for deed is the subject of a petition under this section.

2.25 (j) "Sexual extortion" means the conduct described under section 609.3458.

2.26 (k) "Sworn written certification" means a statement by a qualified third party, in the  
2.27 following form:

2.28 "CERTIFICATION BY QUALIFIED THIRD PARTY

2.29 I, (name of qualified third party), do hereby verify as follows:

2.30 1. I am a licensed health care professional; domestic abuse advocate, as that term is  
2.31 defined in Minnesota Statutes, section 595.02, subdivision 1, paragraph (1); or sexual assault

counselor, as that term is defined in Minnesota Statutes, section 595.02, subdivision 1,  
paragraph (k), who has provided professional services to ..... (name of petitioner)  
or a child who resides with the petitioner.

2. I have a reasonable basis to believe ..... (name of petitioner) or a child who  
resides with the petitioner is a victim of domestic abuse, criminal sexual assault, sexual  
extortion, or harassment by ..... (name of respondent).

3. I understand that the person listed above may use this document as a basis for seeking  
a court order terminating the interest in the contract for deed of the respondent in a court  
action initiated by the petitioner pursuant to Minnesota Statutes, section 559.206.

I attest that the foregoing is true and correct.

(Printed name of qualified third party)

(Signature of qualified third party)

(Business address and business telephone number)

(Date)"

(l) "Vendee" means a person or entity who has entered into a contract for deed to purchase  
residential real property under a contract for deed.

(m) "Vendor" means a person or entity selling residential real property under a contract  
for deed. Vendor includes the vendor's successor and assignees.

Subd. 2. **Petition to terminate respondent's interest.** (a) A petitioner who is unmarried  
may petition the court for an order to terminate the respondent's interest in the contract for  
deed. The petition must allege that:

(1) the petitioner or a child who resides with the petitioner has been subjected to domestic  
abuse, criminal sexual assault, sexual extortion, or harassment by the respondent;

(2) the respondent has not physically occupied the property that is subject to the contract  
for deed for the six consecutive months preceding the commencement of the action under  
this section; and

(3) the petitioner has made all payments due on the contract for deed during the six  
consecutive months preceding the commencement of the action under this section.

(b) The petitioner must serve a summons that includes the petition and the legal  
description of the property subject to the contract for deed on:

(1) the respondent;

4.1 (2) the current vendor;

4.2 (3) state and federal tax lienholders; and

4.3 (4) any judgment lienholders.

4.4 (c) The summons must be served in the manner provided to commence a civil lawsuit  
4.5 under Minnesota Rules of Civil Procedure. The respondent shall have 21 days after service  
4.6 of the summons to answer.

4.7 (d) A notice of lis pendens must be recorded in the office of the county recorder or filed  
4.8 in the office of the registrar of titles in the county in which the real property that is the  
4.9 subject of the contract for deed is located.

4.10 Subd. 3. **Content of summons.** In addition to the requirements set forth under subdivision  
4.11 2, the summons must contain the following information:

4.12 (1) the date the contract for deed was executed;

4.13 (2) the address of the property that is the subject of the contract for deed;

4.14 (3) the name of the vendor;

4.15 (4) the names of the vendees;

4.16 (5) the date of recordation of the contract for deed, the document number, and the county  
4.17 in which it was recorded;

4.18 (6) the case name;

4.19 (7) the court file number; and

4.20 (8) the judicial district in which the property is located.

4.21 Subd. 4. **Jurisdiction.** (a) Except as provided in paragraph (b), the district court has  
4.22 jurisdiction over petitions seeking termination of the interest of the respondent.

4.23 (b) Unless otherwise provided by applicable law, nothing in this section infringes upon  
4.24 the jurisdiction of a Tribal court in the matter of a petition to terminate the interest of a  
4.25 respondent in a contract for deed.

4.26 Subd. 5. **Procedure.** (a) If the respondent, the vendor, or any lienholder has not filed an  
4.27 answer within 21 days after service has been made, the court must grant the petition.

4.28 (b) If an answer is filed and the petition is contested, the court must hold a hearing. The  
4.29 court must grant the petition if the petitioner demonstrates by a preponderance of the evidence  
4.30 that:

(1) the petitioner or a child who resides with the petitioner has been subjected to domestic abuse, criminal sexual assault, sexual extortion, or harassment by the respondent;

(2) the respondent has not physically occupied the property that is subject to the contract for deed for the six consecutive months preceding the commencement of the action under this section; and

(3) the petitioner has paid all amounts required under the contract for deed during the six consecutive months preceding the commencement of the action under this section.

(c) A petitioner demonstrates that the petitioner or a child who resides with the petitioner has been subjected to domestic abuse, criminal sexual assault, sexual extortion, or harassment by the respondent if:

(1) the petitioner presents a qualifying document; or

(2) the respondent has been convicted of or received a stay of adjudication for a violation of section 518B.01, 609.27, 609.282, 609.322, 609.342 to 609.3451, 609.3458, 609.527, or 609.749 where the victim was the petitioner or a child who resides with the petitioner.

Subd. 6. **Defense; prejudice to the vendor.** A vendor may contest a petition filed under this section by demonstrating by a preponderance of the evidence that granting the petition to terminate the respondent's interest will prejudice the vendor. A court must not grant the petition if the court finds that the vendor will be prejudiced by a termination of the respondent's interest.

Subd. 7. **Order.** If the court grants the petition, the court shall issue an order terminating the interest of the respondent and finding that the petitioner has met the burden of showing:

(1) the petitioner or a child who resides with the petitioner has been subjected to domestic abuse, criminal sexual assault, sexual extortion, or harassment by the respondent;

(2) the respondent has not physically occupied the property that is subject to the contract for deed for the six consecutive months preceding the commencement of the action under this section; and

(3) the petitioner has made payments due on the contract during the six consecutive months preceding the commencement of the action under this section.

Subd. 8. **Contract for deed termination judgment.** (a) A court granting the requested relief shall direct the petitioner or the petitioner's legal counsel to prepare and submit to the court a proposed contract for deed termination judgment, which must provide that the respondent's interest is terminated and of no further force or effect. Upon approval by the

6.1 court and filing of the contract for deed termination judgment with the court administrator,  
6.2 the court administrator must provide to any party upon request certified copies of the contract  
6.3 for deed termination judgment. The contract for deed termination judgment must contain  
6.4 the following information:

6.5 (1) the date of execution of the contract for deed;

6.6 (2) the date of recordation of the contract for deed and the county in which it was  
6.7 recorded;

6.8 (3) the date of entry of the judgment terminating the respondent's interest in the contract  
6.9 for deed;

6.10 (4) the names of the parties' attorneys or if any or all appeared pro se;

6.11 (5) whether and when the summons and petition were served upon the respondent and  
6.12 vendor as required under the Minnesota Rules of Civil Procedure;

6.13 (6) the name of the judge who signed the order;

6.14 (7) whether the judgment and decree resulted from a stipulation, a default, or a trial and  
6.15 the appearances at the default or trial;

6.16 (8) any former name of either party;

6.17 (9) the address and legal description of the property that is the subject of the contract  
6.18 for deed;

6.19 (10) if recorded, the document number of the contract for deed;

6.20 (11) if the property is registered land, the certificate of title number of the real property;

6.21 (12) the name or names of the person or persons awarded an interest in the real property  
6.22 and a description of the interest awarded;

6.23 (13) liens, mortgages, encumbrances, or other interests in the real estate described in  
6.24 the judgment and decree;

6.25 (14) the signature of the judge and the date signed; and

6.26 (15) the signature of the court administrator and the date signed.

6.27 (b) Notwithstanding any provision contained in the contract for deed, a respondent whose  
6.28 interest has been terminated has no interest as a vendee in the contract for deed.

6.29 (c) The petitioner must record the contract for deed termination judgment with the county  
6.30 recorder or the registrar of titles, as applicable.

7.1 (d) A contract for deed termination judgment is binding on the interest of the vendor  
7.2 and all vendees under the contract for deed.

7.3 Subd. 9. **Effect of termination.** (a) The termination of the respondent's interest in the  
7.4 contract for deed does not terminate or invalidate any other provision of the contract for  
7.5 deed. The respondent's interest that has been terminated shall be transferred to the petitioner  
7.6 by operation of law.

7.7 (b) A respondent whose interest has been terminated under this section has no further  
7.8 liability on the contract for deed and a vendor shall have no cause of action against the  
7.9 respondent for damages or performance.

7.10 **EFFECTIVE DATE.** This section is effective July 1, 2026, and applies to contracts

7.11 for deed entered into on or after that date.

7.12 Sec. 2. Minnesota Statutes 2024, section 559.21, is amended by adding a subdivision to  
7.13 read:

7.14 Subd. 10. **Applicability to section 559.206.** Nothing in this section shall apply to a  
7.15 vendee whose interest was terminated under section 559.206.

7.16 **EFFECTIVE DATE.** This section is effective July 1, 2026, and applies to contracts  
7.17 for deed entered into on or after that date."

7.18 Correct the title numbers accordingly

7.19 With the recommendation that when so amended the bill be placed on the General  
7.20 Register.

7.21 This Committee action taken March 26, 2026

7.22 ..... Co-Chair

7.23 ..... Co-Chair