

House Research Act Summary

CHAPTER: 178 (S.F. 2184/H.F. 2763)

SESSION: 2012 Regular Session

TOPIC: Torrens procedures relating to time share interests in real estate

Date: April 11, 2012

Analyst: Tom Pender (651) 296-1885

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

This act provides for Torrens certificates of title to reflect the termination of a time share interest in real estate through cancellation or foreclosure of a time share interest. A Torrens system of real estate titles is an alternative to the "abstract" system and is somewhat similar to motor vehicle title system. It is widely used in some Minnesota counties and rarely in others.

- 1 Examiner of titles directive; foreclosure by action.** Removes language that is moved to its own new subdivision in section 2. Changes the headnote to reference only mortgage foreclosures "by action" (through a court proceeding), consistent with the remaining portion of this subdivision.
- 2 Examiner of titles directive; cancellation of contract for conveyance of time share interest.** Restates the language moved here from section 1 (with an update of the citation to the definition of "time share"). This language involves termination (cancellation) of a contract for deed or of a contract for transfer of ownership other than by a deed.
- 3 Examiner of titles directive; foreclosure of time share interest.** (a) Limits the procedures described in this subdivision to time share interests in fee title that: (1) consist of seven or fewer days in any year and (2) involve real estate located in a county in which the county examiner of titles is authorized by the county board to issue directives for entry of a new certificate of title to a time share interest.

(b) Permits a person who has become the owner of a time share interest through foreclosure of a mortgage or other lien upon that interest to apply to the county examiner of titles for a directive providing for issuance of a new certificate of title that omits the foreclosed mortgage or other lien and shows the former owner of the mortgage or other lien as the owner of the time share interest.

(c) Requires the county examiner of titles to determine whether the foreclosure was legally sufficient. If it was sufficient, requires the county examiner of titles to direct the county registrar of titles to issue a new certificate of title, omitting the interest of the former owner whose interest was eliminated by the foreclosure. If the county examiner of titles will not direct issuance of a new

certificate, permits the person to proceed through a petition to the district court of that county for registration of the person's title to the property.