

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2650
Version: As introduced

DATE: March 14, 2016

Authors: Hoppe and others

Subject: Receivership; short form of assignment for real property; conforming changes

Analyst: Mary Mullen

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 bill makes clarifying and conforming changes related assignments that are governed by Chapter 576 and Chapter 577.

Section

- 1 **Assignment; conditions.** Clarifies how payments of rents and profits will be paid out to creditors, conforming this section to the requirements of section 576.25, passed in 2012.
- 2 **Applicability of chapter and of common law.** Adds references to other sections of law that could also govern a receivership to the applicability section of Chapter 576.
- 3 **Powers.** Clarifies that receiverships have the power to release rights, claims, and causes of action with the court's approval; and that the receivership when operating a business may hire employees and appoint officers on behalf of the business.
- 4 **Receivership as lien creditor; real property recording; subsequent sales of real property.** Clarifies the requirements for the transfer of real property during a receivership.
- 5 **Termination by receiver.** Clarifies that a receiver can receive services under contracts that are ongoing when the receivership occurs (executory contracts) and can sue for a breach under those contracts.
- 6 **Abandonment of property.** Clarifies that when a receiver abandon's property, the property reverts to the respondent.
- 7 **Requisites.** Allows assignees of property to be located outside Minnesota and clarifies that an assignee of property submits to jurisdiction in Minnesota. Receivers do not have to be Minnesota residents.

Section

8 **Assignee as lien creditor; real property recording.** Creates a short form for assignment to be used for recording, along with the deed, to indicate the assignment of the real property. In current law the entire assignment has to be filed with the recorder's office.