

Subject Minnesota Partition Act

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Overview

This bill creates the Minnesota Partition Act, which creates a statutory process for the partition, or division, of real property between two or more owners. The bill will apply to new partition cases, instead of the existing chapter on real property partitions, Chapter 558.

Article 1: Partition of Real Property

Provides that Chapter 558, the existing chapter on Partition, applies to the division of property through partition that occurred before August 1, 2025.

Section	Description - Article 1: Partition of Real Property
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1	Applicability.
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Provides that Chapter 558, the existing chapter on Partition, applies to the division of property through partition that occurred before August 1, 2025.

Article 2: Minnesota Partition Act

Provides the new law on the partition of property that applies to real property after August 1, 2025.

Section	Description - Article 2: Minnesota Partition Act
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1	Short title.
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Provides a short title for this chapter, "Minnesota Partition Act."

2	Applicability.
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Provides that Chapter 558A, not Chapter 558, applies to partition actions commenced on or after August 1, 2025.

Section	Description - Article 2: Minnesota Partition Act
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3	Partition; sale; who may bring action.
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	Provides that one or more person in a jointly held property can bring an action for partition to seek the sale of the property or the division of the property. An individual with a remainder interest can bring an action for partition if the person with a life estate is going to waste the remainder interest.
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4	District court powers and authority.
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	Allows the court to use their power to achieve a result that is fair and equitable.
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5	Liens.
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	Provides that liens, other than a mortgage, can follow a portion of the property through the partition, and the lien holder can be made a party to the action.
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6	Summons; service.
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	Provides the requirements for summons, service, and notice, including notice and service by publication when needed, in a partition action.
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7	Complaint.
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	Provides the requirements for a complaint to initiate a partition case.
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8	Judgment for partition; referees.
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	Provides that the parties rights and interests shall be determined by evidence or by agreement of the parties, and that the court may appoint up to three disinterested referees to determine the partition and shares.
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9	Dispute between parties is no defense.
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	Provides that a partition can still occur when there is a dispute as to who owns shares of the property.
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10	Duty and powers of referee; report; expenses.
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	Allows a referee, or referees, to sell the property or to divide the property and allot the portions to respective parties based on their rights. The referee can employ a surveyor, appraiser, real estate brokers or agents, attorneys, and other professionals necessary to execute those actions and divide up the cost between the parties based on their interest in the property.
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11	Consideration for partition in kind.
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	Provides a list of considerations the court shall make when determining how to divide up property between joint owners, including when dividing up the property is feasible and would retain the value and ability to use the land.
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Section	Description - Article 2: Minnesota Partition Act
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| 12 | Report of open-market sale.
Requires the referee to file a report with the court on a sale and include: a description of the land to be sold to a buyer; purchase price; lienholders; and cost of the sale. |
| 13 | Referee's report as evidence.
Allows the court to accept the referee's report unless a party asks to set aside or modify the report by showing evidence that there is a mistake, improper motive, bias, or the report is without sound basis. |
| 14 | Sale authorization.
Allows the court to approve the sale and terms. |
| 15 | Purchase by part owners.
Allows the referee to collect the proceeds of the sale when a purchaser is one of the part owners of the property. |
| 16 | Report of sale.
Requires the referee to report the sale to the court and provide all the information on the sale, including if the sale is rejected. |
| 17 | Confirmation of report; final judgment.
Allows the court to set aside the referee's report, or appoint a new referee, or confirm the report as part of the final judgment. |
| 18 | Liens; how affected.
Requires a lien on the property to be paid from the sale or to be awarded a judgment against the party who is awarded the property. |
| 19 | Attorney fees and costs apportioned.
Attorney fees, costs, charges, and disbursements of sale or in kind partition costs are to be paid from the sale proceeds or paid by the party or parties entitled to the land, and costs shall be apportioned to owners by the cost in the final judgment. |
| 20 | Compensation because of inequality.
Allows the court to adjust compensation between parties to make the partition more equitable. |
| 21 | Indivisible property may be set off.
Allows property to be sold, in part or whole, to one party who will pay for that portion of the property. |

Section	Description - Article 2: Minnesota Partition Act
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22	Proceeds; how applied.
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	Provides that the court will apply the proceeds of the sale of the property, or part of the property, to pay for the cost of the action, the cost of the referee, legal fees and costs, records and liens, and then divided between the owners according to their respective shares.
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23	Order confirming sale.
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	Allows the court order and deed executed by a referee to be accepted as valid for the recording for the sale.
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24	Record and effect of conveyance.
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	Provides that conveyances by the referee must be recorded and then binding on all parties, regardless of whether or not they are a party to the case.
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25	Persons prohibited from purchasing.
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	Prohibits a referee from purchasing the property.
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26	Claims to proceeds; how determined.
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	Allows the court to hold the proceeds of a sale to collect evidence to determine how to apportion the sale proceeds to those with interest in the property.
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27	Orders; interlocutory judgments; appeals.
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	Allows appeals of orders, and interlocutory appeals, within 30 days of the filing of a judgment, following civil court procedures.
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28	Proceeds due unknown owner.
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	Proceeds from the sale of a home under this chapter that belong to an unknown owner are paid to the court administrator and subject to further order of the court.
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29	Guardian ad litem; when appointed.
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	Allows the petition of a party for a guardian ad litem (GAL), or when the court deems it necessary, the court can appoint a guardian ad litem to assist a minor child, a person with a disability, or a person who is not present. The guardian ad litem is paid from the person's share of the property.
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30	Effective date.
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	Provides that new Chapter 558A is effective on August 1, 2025, and applies to all partitions and actions for partition commenced on or after August 1, 2025.
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Article 3: Eminent Domain

Conforming and technical changes to update terms.

Section	Description - Article 3: Eminent Domain
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| 1 | Notification.
Clarifying changes to the eminent domain statute related to providing reports. |
| 2 | Appeals; deadline, notice, service, contents; by other parties.
Technical changes to eminent domain related to appeals for eminent domain cases. |

Article 4: Transfer on Death Deed

Makes a clarification to an effective date on a law passed in 2024 related to changes in the transfer on death deed statutes.

Section	Description - Article 4: Transfer on Death Deed
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| 1 | Effective date.
Provides that when a title defect has to be corrected, the 2024 law applies to transfer on death deeds recorded before, on, or after the date of final enactment, and provides this change to the effective date is retroactive to April 27, 2024, when the 2024 change to the transfer on death deeds was passed. |
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