

1 A bill for an act
2 relating to real property; clarifying services of a responsive notice of cancellation; amending
3 Minnesota Statutes Section 559.217, subdivisions 3, 4 and 8.

4 **ARTICLE 1**

5 **CANCELLATION OF RESIDENTIAL PURCHASE AGREEMENT**

6 Section 1. Minnesota Statutes section 559.217, subdivision 3, is amended to read:

7 Subd. 3. **Cancellation with right to cure.**

8 (a) If a default occurs or an unfulfilled condition exists after the date specified for
9 fulfillment in the terms of a purchase agreement for the conveyance of residential real
10 property, which does not by its terms cancel the purchase agreement, the purchaser or the
11 seller may initiate a cancellation by serving upon the other party to the purchase
12 agreement and any third party that is holding earnest money under the purchase agreement
13 a notice:

14 (1) specifying the residential real property that is the subject of the purchase
15 agreement, including the legal description;

16 (2) specifying the purchase agreement by date and names of parties, and the
17 unfulfilled condition or default; and

18 (3) stating that the purchase agreement will be canceled 15 days after service of the
19 notice upon the other party to the purchase agreement unless prior to the cancellation date
20 the party upon whom the notice is served complies with the conditions in default and
21 completes the unfulfilled conditions, including, if applicable, completion of the purchase
22 or sale of the residential real property according to the terms of the purchase agreement.

1 (b) The notice to initiate a cancellation under this subdivision must be served in the
2 manner provided in section 559.21, subdivision 4, paragraphs (a) and (b). The notice
3 required by this subdivision must be given notwithstanding any provisions in the purchase
4 agreement to the contrary.

5 (c) The purchase agreement is canceled unless, within 15 days after the service of the
6 notice upon the other party to the purchase agreement, the party upon whom the notice
7 was served fully complies with the conditions in default and completes the unfulfilled
8 conditions or secures from a court an order suspending the cancellation.

9 Section 2. Minnesota Statutes section 559.217, subdivision 4, is amended to read:

10 **Subd. 4. Declaratory cancellation.**

11 (a) If an unfulfilled condition exists after the date specified for fulfillment in the
12 terms of a purchase agreement for the conveyance of residential real property, which by
13 the terms of the purchase agreement cancels the purchase agreement, either the purchaser
14 or the seller may confirm the cancellation by serving upon the other party to the purchase
15 agreement and any third party that is holding earnest money under the purchase agreement
16 a notice:

17 (1) specifying the residential real property that is the subject of the purchase
18 agreement, including the legal description;

19 (2) specifying the purchase agreement by date and names of parties, and the
20 unfulfilled condition; and

21 (3) stating that the purchase agreement has been canceled.

22 (b) The notice to initiate a cancellation under this subdivision must be served in the
23 manner provided in section 559.21, subdivision 4, paragraphs (a) and (b). The notice

1 required by this subdivision may be given notwithstanding any provisions in the purchase
2 agreement to the contrary.

3 (c) The cancellation of the purchase agreement is complete, unless, within 15 days
4 after the service of the notice upon the other party to the purchase agreement, the party
5 upon whom the notice was served secures from a court an order suspending the
6 cancellation.

7 Section 3. Minnesota Statutes section 559.217, subdivision 8, is amended to read:

8 Subd. 8. **Attorney as agent for service.**

9 Any attorney authorized to serve the notice of cancellation by a party initiating a cancellation
10 under this section is designated as the attorney who may receive service as agent for the party
11 initiating the cancellation of all summons, complaints, orders, and motions made in connection
12 with an action by the party upon whom the notice is served to restrain the cancellation, and any
13 responsive notice of cancellation as described in subdivision 2. Service in the action and service
14 of a responsive notice of cancellation may be made upon the party initiating the cancellation by
15 personal service or by mailing a copy of the process or notice to such party or to such party's
16 attorney, by first class mail, postage prepaid, to the address stated in the notice. Service upon a
17 party by first class mail shall be effective upon delivery to the address stated in the notice.

18 Section 4. **EFFECTIVE DATE.**

19 This article is effective August 1, 2011, and applies to any Notice of Cancellation of Purchase
20 Agreement or Responsive Notice of Cancellation of Purchase Agreement served on or after that
21 date.