

1.1 Senator ..... moves to amend S.F. No. 3334 as follows:

1.2 Page 3, after line 11, insert:

1.3 "Sec. 2. **[513.80] UNFAIR SERVICE AGREEMENTS.**

1.4 Subdivision 1. **Definitions.** (a) For purposes of this section, the followings terms have  
1.5 the meanings given.

1.6 (b) "Unfair service agreement" means an agreement to provide services in connection  
1.7 with the maintenance of or purchase or sale of residential real estate in which any part of  
1.8 the service subject to the agreement is not to be performed within one year after the time it  
1.9 is entered into and any of the following apply:

1.10 (1) the agreement purports to run with the land or to be binding on future owners of  
1.11 interests in the real property;

1.12 (2) the agreement allows for assignment of the right to provide service without notice  
1.13 to and consent of the owner of residential real estate, including a contract for deed vendee;

1.14 (3) the agreement purports to create a lien, encumbrance, or other real property security  
1.15 interest; or

1.16 (4) the agreement contains a provision that purports to automatically renew upon the  
1.17 expiration of the initial term.

1.18 (c) "Residential real estate" means real property located in this state which is used  
1.19 primarily for personal, family, or household purposes and is improved by one to four dwelling  
1.20 units.

1.21 (d) "Recording" means presenting a document to a county recorder or registrar of titles  
1.22 in this state for official placement in the public land records.

1.23 Subd. 2. **Unfair service agreements prohibited.** No person shall record or cause to be  
1.24 recorded an unfair service agreement or notice or memorandum thereof in this state. If an  
1.25 unfair service agreement is recorded in this state, it shall not provide actual or constructive  
1.26 notice. An unfair service agreement that violates this section is not binding on or enforceable  
1.27 at law or in equity against any subsequent owner, purchaser, or mortgagee of any interest  
1.28 in real property as an equitable servitude or otherwise.

1.29 Subd. 3. **Enforcement; remedies.** (a) A violation of this section is an unfair and deceptive  
1.30 practice under section 325F.69.

(b) If an unfair service agreement or a notice or memorandum thereof is recorded in this state, any person with an interest in the real property that is the subject of that agreement may petition a district court in the county where the recording exists for an order declaring the agreement unenforceable.

(c) A person who records or files or enters into an unfair service agreement in violation of this section shall be liable to the aggrieved person for damages, court costs, and reasonable attorney's fees.

**Subd. 4. Exemption.** (a) This section does not apply to:

(1) an option or right of refusal to purchase the residential real estate;

(2) a declaration created in the formation of a common interest community or an amendment thereto;

(3) a maintenance or repair agreement entered by a homeowners' association in a common interest community;

(4) a mortgage loan;

(5) a security agreement under the Uniform Commercial Code relating to the sale or rental of personal property or fixtures; or

(6) water, sewer, electrical, telephone, cable, or other regulated utility service providers.

(c) This section does not impair the rights granted by the mechanics lien statute under section 514.01.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to agreements entered into on or after that date. "

Amend the title accordingly