



S.F. No. 505 – Contracts for deed; clarifying and technical changes; definition of investor-seller modified

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S.F. 505 makes technical and clarifying changes to laws that were enacted in 2024 related to contracts for deed. This bill also modifies the definition of investor seller by adding entities exempt from the definition.

Section 1. [212.12; conveyances, taxes paid before recording] Clarifies that when there is a transfer on a contract for deed, the auditor must determine whether there are delinquent taxes, without a limitation to a period of four months within the execution of the contract for deed.

Section 2. [559.21, subd. 4; law prevails over contract; procedure; conditions] Corrects a statutory cross-reference for the definition of “investor-seller.”

Section 3. [559A.01, subd. 3; churning] Makes a technical change to the definition of “churning.”

Section 4. [559A.01, subd. 4a.] Creates a definition for “family member.”

Section 5. [559A.01, subd. 5; investor seller] Makes technical and clarifying changes to the definition of “investor seller.” Exempts the following from the definition of investor seller: a state agency, a political subdivision, and a legal entity whose sole owner is a natural person who is exempt under the current law.

Section 6. [559A.03, subd. 3; disclosure of price paid by the investor seller to acquire property] Makes technical and conforming changes.

Section 7. [559A.04, subd. 4; churning prohibited] Makes a conforming change.

Effective date. The sections in this bill are effective the day following final enactment.

