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State of Minnesota

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HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH SESSION

HOUSE FILE No. 556

February 1, 2007

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The bill was read for the first time and referred to the Transportation Finance Division

February 5, 2007

By motion, recalled and re-referred to the Committee on Commerce and Labor

March 20, 2007

Committee Recommendation and Adoption of Report:

To Pass as Amended

Read Second Time

1.1 A bill for an act
1.2 relating to airport zoning regulations; establishing disclosure duties regarding
1.3 airport zoning; amending Minnesota Statutes 2006, sections 82.22, subdivision
1.4 8; 513.56, subdivision 3; repealing Minnesota Statutes 2006, section 360.065,
1.5 subdivision 3.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2006, section 82.22, subdivision 8, is amended to read:

1.8 Subd. 8. Material facts. (a) Licensees shall disclose to any prospective purchaser
1.9 all material facts of which the licensees are aware, which could adversely and significantly
1.10 affect an ordinary purchaser's use or enjoyment of the property, or any intended use of the
1.11 property of which the licensees are aware.

1.12 (b) It is not a material fact relating to real property offered for sale the fact or
1.13 suspicion that the property:

1.14 (1) is or was occupied by an owner or occupant who is or was suspected
1.15 to be infected with human immunodeficiency virus or diagnosed with acquired
1.16 immunodeficiency syndrome;

1.17 (2) was the site of a suicide, accidental death, natural death, or perceived paranormal
1.18 activity; or

1.19 (3) is located in a neighborhood containing any adult family home, community-based
1.20 residential facility, or nursing home.

1.21 (c) A licensee or employee of the licensee has no duty to disclose information
1.22 regarding an offender who is required to register under section 243.166, or about whom
1.23 notification is made under that section, if the broker or salesperson, in a timely manner,
1.24 provides a written notice that information about the predatory offender registry and

2.1 persons registered with the registry may be obtained by contacting local law enforcement  
2.2 where the property is located or the Department of Corrections.

2.3 (d) A licensee or employee of the licensee has no duty to disclose information  
2.4 regarding airport zoning regulations if the broker or salesperson, in a timely manner,  
2.5 provides a written notice that a copy of the airport zoning regulations as adopted can be  
2.6 reviewed or obtained at the office of the county recorder where the zoned area is located.

2.7 (e) A licensee is not required to disclose, except as otherwise provided in paragraph  
2.8 ~~(e)~~ (f), information relating to the physical condition of the property or any other  
2.9 information relating to the real estate transaction, if a written report that discloses the  
2.10 information has been prepared by a qualified third party and provided to the person. For  
2.11 the purposes of this paragraph, "qualified third party" means a federal, state, or local  
2.12 governmental agency, or any person whom the broker, salesperson, or a party to the real  
2.13 estate transaction reasonably believes has the expertise necessary to meet the industry  
2.14 standards of practice for the type of inspection or investigation that has been conducted by  
2.15 the third party in order to prepare the written report and who is acceptable to the person to  
2.16 whom the disclosure is being made.

2.17 ~~(e)~~ (f) A licensee shall disclose to the parties to a real estate transaction any facts  
2.18 known by the broker or salesperson that contradict any information included in a written  
2.19 report, if a copy of the report is provided to the licensee, described in paragraph ~~(d)~~ (e).

2.20 ~~(f)~~ (g) The limitation on disclosures set forth in paragraphs (b) and (c) shall modify  
2.21 any common law duties with respect to disclosure of material facts.

2.22 Sec. 2. Minnesota Statutes 2006, section 513.56, subdivision 3, is amended to read:

2.23 Subd. 3. **Inspections.** (a) Except as provided in paragraph (b), a seller is not  
2.24 required to disclose information relating to the real property if a written report that  
2.25 discloses the information has been prepared by a qualified third party and provided to the  
2.26 prospective buyer. For purposes of this paragraph, "qualified third party" means a federal,  
2.27 state, or local governmental agency, or any person whom the seller, or prospective buyer,  
2.28 reasonably believes has the expertise necessary to meet the industry standards of practice  
2.29 for the type of inspection or investigation that has been conducted by the third party in  
2.30 order to prepare the written report.

2.31 (b) A seller shall disclose to the prospective buyer material facts known by the  
2.32 seller that contradict any information included in a written report under paragraph (a) if a  
2.33 copy of the report is provided to the seller.

2.34 (c) The seller has no duty to disclose information regarding airport zoning  
2.35 regulations if the seller, in a timely manner, provides a written notice that a copy of the

- 3.1 airport zoning regulations as adopted can be reviewed or obtained at the office of the  
3.2 county recorder where the zoned area is located.

3.3 Sec. 3. **REPEALER.**

- 3.4 Minnesota Statutes 2006, section 360.065, subdivision 3, is repealed.

**360.065 AIRPORT ZONING; ADOPTION AND APPROVAL OF PROPOSED REGULATIONS.**

Subd. 3. **Disclosure of airport zoning regulations.** Before accepting consideration or signing an agreement to sell or transfer real property that is located in safety zone A, B, or C, excluding safety zones associated with an airport owned or operated by the Metropolitan Airports Commission, under zoning regulations adopted by the governing body, the seller or transferor, whether executing the agreement in the seller or transferor's own right, or as executor, administrator, assignee, trustee, or otherwise by authority of law, must disclose in writing to the buyer or transferee the existence of airport zoning regulations that affect the real property.