

March 12, 2024

Chair Becker Finn and Members of the House Judiciary Finance and Civil Law Committee:

Thank you for the opportunity to submit written testimony on Rep. Pursell's HF 3389, requiring disclosure of subsurface drain tile.

Minnesota Realtors® (MNR) was founded in 1919 and is a business trade association with a membership of over 21,000 real estate professionals working with buyers and sellers of all types of property, in every corner of the state.

MNR strongly supports current disclosure law and ensuring buyers are informed about all material facts of which the seller is aware that could adversely and significantly affect their enjoyment or intended use of the property. Buyers should also do their due diligence when making what is the largest investment of their life.

While we continue to work with Rep. Pursell and other interested stakeholders on the details of HF 3389, we would like to share our concerns with the current bill language.

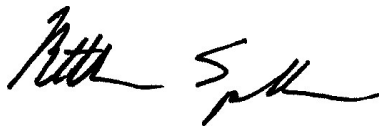
We have a general concern about establishing a list of individual items to be disclosed in various locations in statute, with different remedies, which must be disclosed. That approach further complicates the transaction and may lead to unnecessary litigation.

If this bill moves forward, we respectfully offer the following suggestions:

- 1) Focus this disclosure of subsurface drain tile on agricultural land. Without adding language clarifying the applicability of this requirement, every residential real estate transaction will be impacted.
- 2) Establish an effective date no earlier than January 1, 2025. This would allow time for development of the new form required by this bill and for education and outreach to ensure that the requirements of the bill are understood and implemented in accordance with the law.
- 3) Delete the new fee and recording requirement in Subd. 2.
- 4) Replace the existing Subd. 3 (Liability for failure to disclose) with language that cross-references, or is identical to, existing language in Minn. Stat. 513.57.

Thank you again for the opportunity to provide written testimony on HF 3389.

Sincerely,



Matt Spellman  
Senior Director of Advocacy  
Minnesota Realtors®