

1.1 moves to amend H.F. No. 3389 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **[103F.49] DRAIN TILE SELLER'S DISCLOSURE REQUIRED.**

1.4 Subdivision 1. **Definition.** For purposes of this section, "drain tile" means a system of
1.5 tile, corrugated plastic tubing, pipe, or other conduit installed beneath the ground surface
1.6 on private or public land to collect and convey water.

1.7 Subd. 2. **Disclosure required.** (a) Before signing an agreement to sell or transfer real
1.8 property, the seller must disclose in writing to the buyer the status and location of all known
1.9 drain tile on the property, by delivering to the buyer either a statement by the seller that the
1.10 seller does not know of any drain tile on the property, or a disclosure statement indicating
1.11 the legal description and county, and to the extent practicable, a map drawn from available
1.12 information and accurate to scale identifying the location of drain tile on the property
1.13 including all outlets and control structures, and the drainage water flow path for the first
1.14 mile downstream of the drain tile.

1.15 (b) At the time of closing of the sale, the disclosure statement information, name and
1.16 mailing address of the buyer, and the quartile, section, township, and range in which drain
1.17 tile is located must be provided on a drain tile disclosure certificate signed by the seller or
1.18 a person authorized to act on behalf of the seller.

1.19 (c) A drain tile certificate need not be provided if the seller does not know of any drain
1.20 tile on the property and the deed or other instrument of conveyance contains the statement:
1.21 "The Seller certifies that the Seller does not know of any drain tile on the described real
1.22 property."

1.23 (d) If a deed is given pursuant to a contract for deed, the drain tile disclosure certificate
1.24 required by this subdivision shall be signed by the buyer or a person authorized to act on

2.1 behalf of the buyer. If the buyer knows of no drain tile on the property, a drain tile disclosure
2.2 certificate is not required if the following statement appears on the deed followed by the
2.3 signature of the grantee or, if there is more than one grantee, the signature of at least one
2.4 of the grantees: "The Grantee certifies that the Grantee does not know of any drain tile on
2.5 the described real property." The statement and signature of the grantee may be on the front
2.6 or back of the deed or on an attached sheet and an acknowledgment of the statement by the
2.7 grantee is not required for the deed to be recordable.

2.8 (e) If the seller fails to provide a required drain tile disclosure certificate, the buyer, or
2.9 a person authorized to act on behalf of the buyer, may sign a drain tile disclosure certificate
2.10 based on the information provided on the disclosure statement required by this section or
2.11 based on other available information.

2.12 (f) A county recorder or registrar of titles may not record a deed or other instrument of
2.13 conveyance dated after August 1, 2024, for which a certificate of value is required under
2.14 section 272.115, or any deed or other instrument of conveyance dated after August 1, 2024,
2.15 from a governmental body exempt from the payment of state deed tax, unless the deed or
2.16 other instrument of conveyance contains the statement made in accordance with paragraph
2.17 (c) or (d) or is accompanied by the well disclosure certificate containing all the information
2.18 required by paragraph (b) or (d). The county recorder or registrar of titles must not accept
2.19 a certificate unless it contains all the required information. The county recorder or registrar
2.20 of titles shall note on each deed or other instrument of conveyance accompanied by a drain
2.21 tile disclosure certificate that the drain tile disclosure certificate was received. The notation
2.22 must include the statement "No drain tile on property" if the disclosure certificate states
2.23 there is no drain tile on the property. The drain tile disclosure certificate shall not be filed
2.24 or recorded in the records maintained by the county recorder or registrar of titles. After
2.25 noting "No drain tile on property" on the deed or other instrument of conveyance, the county
2.26 recorder or registrar of titles shall destroy or return to the buyer the drain tile disclosure
2.27 certificate. The county recorder or registrar of titles shall collect from the buyer or the person
2.28 seeking to record a deed or other instrument of conveyance, a fee of \$50 for receipt of a
2.29 completed drain tile disclosure certificate. By the tenth day of each month, the county
2.30 recorder or registrar of titles shall transmit the drain tile disclosure certificates to the Board
2.31 of Water and Soil Resources. By the tenth day after the end of each calendar quarter, the
2.32 county recorder or registrar of titles shall transmit to the Board of Water and Soil Resources
2.33 \$42.50 of the fee for each drain disclosure certificate received during the quarter. The board
2.34 shall maintain the drain tile disclosure certificate for at least six years. The board may store
2.35 the certificate as an electronic image. A copy of that image shall be as valid as the original.

3.1 (g) The Board of Water and Soil Resources in consultation with county recorders must
3.2 prescribe the form for a drain tile disclosure certificate and provide drain tile disclosure
3.3 certificate forms to county recorders and registrars of titles and other interested persons.

3.4 (h) Failure to comply with a requirement of this section does not impair:

3.5 (1) the validity of a deed or other instrument of conveyance as between the parties to
3.6 the deed or instrument or as to any other person who otherwise would be bound by the deed
3.7 or instrument; or

3.8 (2) the record, as notice, of any deed or other instrument of conveyance accepted for
3.9 filing or recording contrary to the provisions of this subdivision.

3.10 Subd. 3. **Liability for failure to disclose.** Unless the buyer and seller agree to the
3.11 contrary, in writing, before the closing of the sale, a seller who fails to disclose the existence
3.12 or known status of drain tile at the time of sale and knew or had reason to know of the
3.13 existence or known status of the drain tile, is liable to the buyer for costs incurred to maintain
3.14 or repair the drain tile and reasonable attorney fees for collection of costs from the seller,
3.15 if the action is commenced within six years after the date the buyer closed the purchase of
3.16 the real property where the drain tile is located."

3.17 Amend the title accordingly