

HOUSE BILL NO. 1251

Introduced by

Representatives Louser, Adams, Beadle, Blum, Boschee, B. Koppelman, Lefor, Mock, D. Ruby

Senators D. Larson, Meyer

1 A BILL for an Act to create and enact a new section to chapter 43-23 of the North Dakota
2 Century Code, relating to property disclosure requirements.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** A new section to chapter 43-23 of the North Dakota Century Code is created
5 and enacted as follows:

6 **Property disclosure - Requirements.**

7 1. This section applies to a transaction for the sale, exchange, or purchase of real
8 property if:

9 a. A licensee represents or assists a party to the transaction; and

10 b. The real property is an owner-occupied primary residence located in this state
11 being sold or exchanged by the owner.

12 2. Before the parties sign an agreement for the sale, exchange, or purchase of real
13 property, the seller shall make a written disclosure to the prospective buyer. The
14 written disclosure must include all material facts of which the seller is aware which
15 could adversely and significantly affect an ordinary buyer's use and enjoyment of the
16 property or any intended use of the property of which the seller is aware. The written
17 disclosure must include latent defects, general condition, environmental issues,
18 structural systems, and mechanical issues regarding the property. The seller shall
19 make the written disclosure in good faith and based upon the best of the seller's
20 knowledge at the time of the disclosure.

21 3. Following the sale, exchange, or purchase of real property, a licensee shall retain a
22 copy of the written disclosure completed and signed by the seller and signed by the

- 1 prospective buyer. The licensee duties under this section do not supersede any other
2 common law or statutory duties.
- 3 4. The commission shall establish and make available to licensees a written disclosure
4 form meeting the requirements of this section. In establishing the form, the
5 commission shall consult with stakeholders, such as professional organizations.