

**FIRST ENGROSSMENT  
with Senate Amendments  
ENGROSSED 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 47-10 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 47-10 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 real estate broker, real estate broker associate, or real estate salesperson who  
10 is associated with a real estate brokerage firm represents or assists a party to the  
11 transaction; and

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

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

- 1        3. Following the sale, exchange, or purchase of real property, the brokerage firm shall  
2        retain a copy of the written disclosure completed and signed by the seller and signed  
3        by the prospective buyer. The brokerage firm's duties under this section do not  
4        supersede any other common law or statutory duties.
- 5        4. The North Dakota real estate commission shall establish and make available a written  
6        disclosure form meeting the requirements of this section. In establishing the form, the  
7        commission shall consult with stakeholders, such as professional organizations.
- 8        5. If a real estate broker, real estate broker associate, or real estate salesperson who is  
9        associated with a real estate brokerage firm violates this section, the state real estate  
10       commission may investigate and take disciplinary action under section 43-23-11.1.