

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 920

(SENATE AUTHORS: LIMMER, Schoen and Jasinski)

DATE	D-PG	OFFICIAL STATUS
02/13/2017	586	Introduction and first reading
		Referred to Judiciary and Public Safety Finance and Policy
02/22/2017		Comm report: To pass as amended
		Second reading

1.1 A bill for an act

1.2 relating to real property; common interest communities; authorizing electronic

1.3 delivery of cancellations of sale or resale; amending Minnesota Statutes 2016,

1.4 sections 515B.4-106; 515B.4-108.

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

1.6 Section 1. Minnesota Statutes 2016, section 515B.4-106, is amended to read:

1.7 **515B.4-106 PURCHASER'S RIGHT TO CANCEL.**

1.8 (a) A person required to deliver a disclosure statement pursuant to section 515B.4-101(b)

1.9 shall provide at least one of the purchasers of the unit with a copy of the disclosure statement

1.10 and all amendments thereto before conveyance of the unit. If a purchaser is not given a

1.11 disclosure statement more than ten days before execution of the purchase agreement, the

1.12 purchaser may, before conveyance, cancel the purchase agreement within ten days after

1.13 first receiving the disclosure statement. If a purchaser is given the disclosure statement more

1.14 than ten days before execution of the purchase agreement, the purchaser may not cancel the

1.15 purchase agreement pursuant to this section. The ten-day rescission period may be modified

1.16 or waived, in writing, by agreement of the purchaser of a unit only after the purchaser has

1.17 received and had an opportunity to review the disclosure statement. The person required to

1.18 deliver a disclosure statement may not condition the sale of the unit on the purchaser agreeing

1.19 to modify or waive the purchaser's ten-day right of rescission, may not contractually obligate

1.20 the purchaser to modify or waive the purchaser's ten-day right of rescission, and may not

1.21 include a modification or waiver of the ten-day right of rescission in any purchase agreement

1.22 for the unit. To be effective, a modification or waiver of a purchaser's ten-day right of

1.23 rescission must be evidenced by an instrument separate from the purchase agreement signed

1.24 by the purchaser more than three days after the purchaser receives the disclosure statement.

2.1 (b) If an amendment to the disclosure statement materially and adversely affects a
2.2 purchaser, then the purchaser shall have ten days after delivery of the amendment to cancel
2.3 the purchase agreement in accordance with this section. The ten-day rescission period may
2.4 be modified or waived, in writing, by agreement of the purchaser of a unit only after the
2.5 purchaser has received and had an opportunity to review the amendment. To be effective,
2.6 a modification or waiver of a purchaser's ten-day right of rescission under this section must
2.7 be evidenced by a written instrument separate from the purchase agreement signed by the
2.8 purchaser more than three days after the purchaser receives the amendment.

2.9 (c) If a purchaser elects to cancel a purchase agreement pursuant to this section, the
2.10 purchaser may do so by giving the seller or the seller's agent notice thereof pursuant to
2.11 section 515B.1-115 or by electronic communication, as defined in section 317A.011,
2.12 subdivision 7a. Cancellation is without penalty, and all payments made by the purchaser
2.13 before cancellation shall be refunded promptly. Notwithstanding anything in this section
2.14 to the contrary, the purchaser's cancellation rights under this section terminate upon the
2.15 purchaser's acceptance of a conveyance of the unit.

2.16 (d) If a declarant obligated to deliver a disclosure statement fails to deliver to the
2.17 purchaser a disclosure statement which substantially complies with this chapter, the declarant
2.18 shall be liable to the purchaser in the amount of \$5,000, in addition to any damages or other
2.19 amounts recoverable under this chapter or otherwise. Any action brought under this
2.20 subsection shall be commenced within the time period specified in section 515B.4-115,
2.21 subsection (a).

2.22 Sec. 2. Minnesota Statutes 2016, section 515B.4-108, is amended to read:

2.23 **515B.4-108 PURCHASER'S RIGHT TO CANCEL RESALE.**

2.24 (a) Unless a purchaser is given the information required to be delivered by section
2.25 515B.4-107, more than ten days prior to the execution of the purchase agreement for the
2.26 unit the purchaser may, prior to the conveyance, cancel the purchase agreement within ten
2.27 days after receiving the information. The ten-day rescission period may be modified or
2.28 waived, in writing, by agreement of the purchaser of a unit only after the purchaser has
2.29 received and had an opportunity to review the information required to be delivered by section
2.30 515B.4-107. The person required to deliver the information required to be delivered by
2.31 section 515B.4-107 may not condition the sale of the unit on the purchaser agreeing to
2.32 modify or waive the purchaser's ten-day right of rescission, may not contractually obligate
2.33 the purchaser to modify or waive the purchaser's ten-day right of rescission, and may not
2.34 include a modification or waiver of the ten-day right of rescission in any purchase agreement

3.1 for the unit. To be effective, a modification or waiver of a purchaser's ten-day right of
3.2 rescission must be evidenced by an instrument separate from the purchase agreement signed
3.3 by the purchaser more than three days after the purchaser receives the resale disclosure
3.4 certificate.

3.5 (b) A purchaser who elects to cancel a purchase agreement pursuant to subsection (a),
3.6 may do so by ~~hand-delivering~~ giving notice thereof ~~or mailing notice by postage prepaid~~
3.7 ~~United States mail~~ to the seller or the seller's agent pursuant to section 515B.1-115 or by
3.8 electronic communication, as defined in section 317A.011, subdivision 7a. Cancellation is
3.9 without penalty and all payments made by the purchaser shall be refunded promptly.