

**2810.1300 SUBDIVISION ADVERTISING CRITERIA.**

The use of any advertisement, including but not limited to print, radio broadcast, or telecast concerning subdivided lands that contains any of the following, shall be presumed to be fraudulent, deceptive, or misleading as provided in Minnesota Statutes 1973, section 83.29, subdivision 2, clause (2).

A. the use of a name or trade style that implies that the subdivider, or the subdivider's agent or affiliate, is a bona fide research organization, public bureau, nonprofit group, or other similar establishment, when such is not the case;

B. reference to any improvement, facility, or utility in the subdivision that does not actually exist or is not yet completed, unless completion is assured within a reasonable time by bonding or other means acceptable to the commissioner;

C. reference to streets, roads, sewers, drainage, or other utilities or conveniences that have not been accepted for maintenance by the subdivider or any other entity, unless such fact is fully disclosed;

D. reference to the availability of financing for on-site construction, unless written evidence thereof is in the possession of the subdivider and is available for inspection by prospective purchasers;

E. reference to unimproved subdivided lands as "developments" or "homesites" or other similar expressions, without reciting the improvements, if any, provided or to be provided by the subdivider; if no improvements are to be provided by the subdivider, the advertisement shall so state;

F. reference to roads that fail to disclose the true nature thereof, and reference to such roads as improved unless they conform to applicable county or planned development specifications and have concrete, asphalt, or other surfaces acceptable to the commissioner;

G. reference to points of interest, to cities or towns, to facilities or features located more than one mile from the nearest point in the subdivision, unless the distance in road miles along existing roads and the nature thereof is included;

H. the use of "artists' conceptions" or renderings of the property and/or facilities, unless they are captioned as such and the subject matter of the conception or rendering has been bonded pursuant to part 2810.2300;

I. the use of maps to show proximity to other communities or points of interest, unless such maps are drawn to scale and the scale appears on the map together with a statement of the distance in miles;

J. for subdivisions proposing the purchaser supply his or her own water, reference to the water supply by the use of such superlatives or phrases as "abundant water," "plenty of water," or terms of similar import;

K. unqualified reference to any utility services as "available," unless such utility services are installed and ready for use, or adequate financial arrangements have been made for their installation;

L. reference to any facilities not a part of the subdivision that are to be constructed by the subdivider, which do not actually exist or are not completed, unless adequate financial arrangements have been made for such facilities;

M. reference to any clubs, clubhouses, or recreational facilities, unless a reasonable estimate of the cost and any limitations or restrictions on use are fully disclosed in the public offering statement;

N. use of the words "exclusive" or "private" or words connoting the same when the general public has the right to access of any kind to any portion of the subdivision, unless the public rights to access are fully disclosed;

O. reference to property as "waterfront," unless the property being offered actually fronts on a canal or other body of water;

P. the use of forecasts of future events or population trends, unless such forecast was prepared on a current basis by a valid government regulatory or information agency;

Q. the use of reprints of published material, unless the information contained in the reprint is representative, truthful, relevant, and pertinent to the subdivision being offered;

R. the advertising of a lot as "free" if the purchaser is required to give any consideration whatsoever; and lots shall not be advertised for "closing costs only" when the closing costs are substantially more than normal, or when an additional lot or lots must be purchased at a higher price or to render the "free" lot usable;

S. reference to predevelopment sales at a lower price because the land has not yet been developed, unless there are plans of development, and a subdivision plat has been recorded;

T. reference that the property being offered for sale may be subdivided or resubdivided, unless it includes all necessary and relevant information regarding the cost and feasibility of future subdividing;

U. reference that the subdivider or an affiliate will resell or repurchase the property being offered at some future time, unless the subdivider has made such a representation in writing to the commissioner and the prospective purchasers, and it reasonably appears to the commissioner that the subdivider or the affiliate has the ability to resell or repurchase;

V. the use of the lot price, unless such price includes all assessments or charges that must be paid by the purchaser or, in the alternative, all assessments and charges are identified, including the dollar amount, and stated with the lot price;

W. the use of lot prices when such lots constitute less than ten percent of the total unsold inventory available for purchase;

X. reference to a discount in the lot price, unless the subdivider shall furnish to the prospective purchaser a price list, a statement that the offer represents a special limited offer, and the length of time the offer will be available;

Y. reference to any increase in price, unless the increase is valid and a copy of the proposed new price schedule and the date of the price increase is furnished to the prospective purchaser;

Z. reference to the subdivider by any name other than that appearing on the public offering statement; reference to any other entity shall state the relationship of that entity to the subdivider;

AA. the use of any advertising that fails to prominently disclose that the property or any portion of the property is subject to regular or periodic flooding, or covered by standing water for extended periods of time during the year if such is the case;

BB. reference to anything otherwise prohibited by Minnesota Statutes 1973, chapters 82 and 83 and the rules promulgated thereunder.

**Statutory Authority:** *MS s 83.23*

**History:** *17 SR 1279*

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