

83.23 REGISTRATION REQUIREMENT.

Subdivision 1. **Registration.** It is unlawful for any person to offer or sell an interest in subdivided lands in this state unless the interest is registered under this section or the subdivided land or the transaction is exempt under section 83.26.

Subd. 2. **Notification.** Unless the method of offer or sale is adopted for the purpose of evasion of sections 83.20 to 83.42, 83.43 and 83.44, subdivided lands may be registered by notification provided that all of the following requirements have been met:

- (a) the subdivision consists of not more than 100 separate lots, units, parcels, or interests;
- (b) at least 20 days prior to any offer pursuant to this subdivision, the subdivider must supply the commissioner, on forms which the commissioner may by rule prescribe, at least the following information:
 - (1) the name and address of the subdivider and the form and date of its organization if other than an individual;
 - (2) the location and legal description of the subdivision and the total number of lots, parcels, units, or interests;
 - (3) either a title opinion prepared and signed by an attorney licensed to practice law in the state wherein the subdivided land is situated; or a certificate of title insurance or its equivalent acceptable to the commissioner;
 - (4) a copy of each instrument which will be delivered to a purchaser to evidence the purchaser's interest in the subdivided lands and a copy of each contract or other agreement which a purchaser will be required to agree to or sign, together with the range of selling prices, rates, or rentals at which it is proposed to offer the lots, units, parcels, or interests in the subdivision, a list of fees the purchaser may be required to pay for amenities or membership in groups including, but not limited to, homeowners' associations, country clubs, golf courses, and other community organizations; and
- (5) a copy of a signed and approved plat map or its equivalent;
- (c) a filing fee of \$150 has been paid;
- (d) the subdivider is in compliance with the service of process provisions of section 83.39.

The commissioner may by rule or order withdraw or further condition registration by notification or increase or decrease the number of lots, units, parcels, or interests in subdivided lands permitted for registration by notification. If no stop order is in effect, no proceeding is pending, and no order has been issued under subdivision 4, a registration statement under this section automatically becomes effective at 5:00 in the afternoon on the 20th full business day after the filing of the registration statement or the last amendment, or at such earlier time as the commissioner by order determines.

Subd. 3. **Qualification.** Subdivided lands may be registered by qualification provided all of the following requirements have been met:

- (a) an application for registration has been filed with the commissioner in a format which the commissioner may by rule prescribe;
- (b) the commissioner has been furnished a proposed public offering statement complying with section 83.24;

(c) a filing fee of \$400 plus an additional registration fee of \$1 for each lot, unit, parcel, or interest included in the offering accompanies the application. The maximum combined filing and registration fees shall in no event be more than \$3,500;

(d) the subdivider is in compliance with service of process provisions of section 83.39;

(e) the commissioner has been furnished a financial statement of the subdivider's most recent fiscal year, prepared by an independent public accountant and certified by the subdivider; and, if the fiscal year of the subdivider is more than 180 days prior to the date of filing the application, a financial statement, which may be unaudited, as of a date within 180 days of the date of application.

Subdivisions in which all the improvements are complete and paid for by the developer, and for which clear title can be given the purchaser at the closing, are exempt from providing financial statements prepared by an independent accountant.

An application for registration under this section becomes effective when the commissioner so orders.

Subd. 4. Consolidated registration. If additional subdivided lands of the same subdivider are subsequently to be offered for sale, the registration thereof may be consolidated with any earlier registration offering subdivided lands for sale if the additional subdivided lands are contiguous to those previously registered. An application for consolidation shall be accompanied by a consolidation fee of \$50. If the registration is pursuant to subdivision 3, an additional registration fee of \$1 shall be submitted for each lot, unit, parcel, or interest included in the consolidation if the maximum fees have not already been paid.

Subd. 5. Withdrawal of application. If no activity occurs with respect to an application for a period of 120 days, the commissioner may by order declare the application withdrawn. No part of the filing fee will be returned by the commissioner if a registration application is withdrawn according to this subdivision.

History: 1973 c 413 s 4; 1974 c 440 s 2-4; 1984 c 452 s 7; 1984 c 640 s 32; 1985 c 248 s 27; 1986 c 444; 1987 c 358 s 98,99; 1988 c 493 s 3; 1996 c 305 art 2 s 9,10; 2000 c 483 s 48