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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4825

03/11/2024 Authored by Bahner
The bill was read for the first time and referred to the Committee on Health Finance and Policy

1.1 A bill for an act
1.2 relating to health; modifying requirements for well disclosure certificates;
1.3 establishing a fee; appropriating money; amending Minnesota Statutes 2022,
1.4 section 103I.235, subdivision 1, by adding subdivisions.

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

1.6 Section 1. Minnesota Statutes 2022, section 103I.235, subdivision 1, is amended to read:

1.7 Subdivision 1. Disclosure of wells to buyer. (a) Before signing an agreement to sell or
1.8 transfer real property, the seller must disclose in writing to the buyer information about the
1.9 status and location of all known wells on the property, by delivering to the buyer either a
1.10 statement by the seller that the seller does not know of any wells on the property, or a
1.11 disclosure statement indicating the legal description and county, and a map drawn from
1.12 available information showing the location of each well to the extent practicable. In the
1.13 disclosure statement, the seller must indicate, for each well, whether the well is in use, not
1.14 in use, or sealed.

1.15 (b) At the time of closing of the sale, the disclosure statement information, name and
1.16 mailing address of the buyer, and the quartile, section, township, and range in which each
1.17 well is located must be provided on a well disclosure certificate signed by the seller or a
1.18 person authorized to act on behalf of the seller. This paragraph expires the earlier of July
1.19 31, 2027, or one day before the date the commissioner specifies in the State Register
1.20 according to subdivision 1a.

1.21 (c) This paragraph is effective the earlier of August 1, 2027, or the date the commissioner
1.22 specifies in the State Register according to subdivision 1a. Before closing of the sale, the
1.23 seller or a person authorized to act on behalf of the seller must submit to the commissioner

2.1 a well disclosure certificate that is signed by the seller or person authorized to act on behalf
 2.2 of the seller and that contains the following information:

2.3 (1) the disclosure statement information;

2.4 (2) the name and mailing address of the buyer; and

2.5 (3) either:

2.6 (i) the quartile, section, township, and range where each well is located; or

2.7 (ii) the lot, block, and plat name where each well is located.

2.8 The well disclosure certificate must be accompanied by a nonrefundable fee of \$50 payable
 2.9 to the Department of Health. Upon receipt of the well disclosure certificate and fee, the
 2.10 commissioner must provide a well disclosure certificate number to the person who submitted
 2.11 the well disclosure certificate. The well disclosure certificate number must appear on the
 2.12 deed or other instrument of conveyance to indicate that a well disclosure certificate was
 2.13 submitted for the real property. Well disclosure certificate numbers shall be used by county
 2.14 recorders and registrars of titles and may be used by other interested persons. The
 2.15 commissioner must maintain the well disclosure certificate for six years after the date of
 2.16 submission.

2.17 ~~(e)~~ (d) A well disclosure certificate ~~need not be provided~~ is not required if the seller does
 2.18 not know of any wells on the property and the deed or other instrument of conveyance
 2.19 contains the statement: "The Seller certifies that the Seller does not know of any wells on
 2.20 the described real property."

2.21 ~~(d)~~ (e) If a deed is given pursuant to a contract for deed, the well disclosure certificate
 2.22 required by this subdivision shall be signed by the buyer or a person authorized to act on
 2.23 behalf of the buyer. If the buyer knows of no wells on the property, a well disclosure
 2.24 certificate is not required if the following statement appears on the deed followed by the
 2.25 signature of the grantee or, if there is more than one grantee, the signature of at least one
 2.26 of the grantees: "The Grantee certifies that the Grantee does not know of any wells on the
 2.27 described real property." The statement and signature of the grantee may be on the front or
 2.28 back of the deed or on an attached sheet and an acknowledgment of the statement by the
 2.29 grantee is not required for the deed to be recordable.

2.30 ~~(e)~~ (f) This subdivision does not apply to the sale, exchange, or transfer of real property:

2.31 (1) that consists solely of a sale or transfer of severed mineral interests; or

3.1 (2) that consists of an individual condominium unit as described in chapters 515 and
3.2 515B.

3.3 ~~(f)~~ (g) For an area owned in common under chapter 515 or 515B the association or other
3.4 responsible person must report to the commissioner by July 1, 1992, the location and status
3.5 of all wells in the common area. The association or other responsible person must notify
3.6 the commissioner within 30 days of any change in the reported status of wells.

3.7 ~~(g)~~ (h) If the seller fails to provide a required well disclosure certificate, the buyer, or a
3.8 person authorized to act on behalf of the buyer, may sign a well disclosure certificate based
3.9 on the information provided on the disclosure statement required by this section or based
3.10 on other available information. This paragraph expires the earlier of July 31, 2027, or one
3.11 day before the date the commissioner specifies in the State Register according to subdivision
3.12 1a.

3.13 (i) This paragraph is effective the earlier of August 1, 2027, or the date the commissioner
3.14 specifies in the State Register according to subdivision 1a. If the seller fails to submit a
3.15 required well disclosure certificate to the commissioner, the buyer or a person authorized
3.16 to act on behalf of the buyer may sign a well disclosure certificate based on the information
3.17 provided in the disclosure statement required by this section or based on other available
3.18 information and may submit the well disclosure certificate according to paragraph (c).

3.19 ~~(h)~~ (j) A county recorder or registrar of titles may not record a deed or other instrument
3.20 of conveyance dated after October 31, 1990, for which a certificate of value is required
3.21 under section 272.115, or any deed or other instrument of conveyance dated after October
3.22 31, 1990, from a governmental body exempt from the payment of state deed tax, unless the
3.23 deed or other instrument of conveyance contains the statement made in accordance with
3.24 paragraph (c) or (d) or is accompanied by the well disclosure certificate containing all the
3.25 information required by paragraph (b) or (d). The county recorder or registrar of titles must
3.26 not accept a certificate unless it contains all the required information. The county recorder
3.27 or registrar of titles shall note on each deed or other instrument of conveyance accompanied
3.28 by a well disclosure certificate that the well disclosure certificate was received. The notation
3.29 must include the statement "No wells on property" if the disclosure certificate states there
3.30 are no wells on the property. The well disclosure certificate shall not be filed or recorded
3.31 in the records maintained by the county recorder or registrar of titles. After noting "No wells
3.32 on property" on the deed or other instrument of conveyance, the county recorder or registrar
3.33 of titles shall destroy or return to the buyer the well disclosure certificate. The county
3.34 recorder or registrar of titles shall collect from the buyer or the person seeking to record a
3.35 deed or other instrument of conveyance, a fee of \$50 for receipt of a completed well

4.1 disclosure certificate. By the tenth day of each month, the county recorder or registrar of
4.2 titles shall transmit the well disclosure certificates to the commissioner of health. By the
4.3 tenth day after the end of each calendar quarter, the county recorder or registrar of titles
4.4 shall transmit to the commissioner of health \$42.50 of the fee for each well disclosure
4.5 certificate received during the quarter. The commissioner shall maintain the well disclosure
4.6 certificate for at least six years. The commissioner may store the certificate as an electronic
4.7 image. A copy of that image shall be as valid as the original. This paragraph expires the
4.8 earlier of July 31, 2027, or one day before the date the commissioner specifies in the State
4.9 Register according to subdivision 1a.

4.10 (k) This paragraph is effective the earlier of August 1, 2027, or the date the commissioner
4.11 specifies in the State Register according to subdivision 1a. A county recorder or registrar
4.12 of titles must not record a deed or other instrument of conveyance for which a certificate
4.13 of value is required under section 272.115 or any other deed or instrument of conveyance
4.14 from a governmental body exempt from the payment of state deed tax, unless the deed or
4.15 other instrument of conveyance contains:

4.16 (1) the statement made in accordance with paragraph (d) or (e); or

4.17 (2) the well disclosure certificate number provided by the commissioner according to
4.18 paragraph (c).

4.19 ~~(j)~~ (l) No new well disclosure certificate is required under this subdivision if the buyer
4.20 or seller, or a person authorized to act on behalf of the buyer or seller, certifies on the deed
4.21 or other instrument of conveyance that the status and number of wells on the property have
4.22 not changed since the last previously filed well disclosure certificate. The following
4.23 statement, if followed by the signature of the person making the statement, is sufficient to
4.24 comply with the certification requirement of this paragraph: "I am familiar with the property
4.25 described in this instrument and I certify that the status and number of wells on the described
4.26 real property have not changed since the last previously filed well disclosure certificate."
4.27 The certification and signature may be on the front or back of the deed or on an attached
4.28 sheet and an acknowledgment of the statement is not required for the deed or other instrument
4.29 of conveyance to be recordable. This paragraph expires the earlier of July 31, 2027, or one
4.30 day before the date the commissioner specifies in the State Register according to subdivision
4.31 1a.

4.32 (m) Effective the earlier of August 1, 2027, or the date the commissioner specifies in
4.33 the State Register according to subdivision 1a, the county recorder or registrar of titles must:

5.1 (1) verify that the seller's name, the buyer's name and mailing address, and the legal
 5.2 description of the deed or other instrument of conveyance matches those provided on the
 5.3 well disclosure certificate; and

5.4 (2) validate the verified well disclosure certificate using the information technology
 5.5 system administered by the commissioner.

5.6 ~~(j) The commissioner in consultation with county recorders shall prescribe the form for~~
 5.7 ~~a well disclosure certificate and provide well disclosure certificate forms to county recorders~~
 5.8 ~~and registrars of titles and other interested persons.~~

5.9 ~~(k)~~ (n) Failure to comply with a requirement of this subdivision does not impair:

5.10 (1) the validity of a deed or other instrument of conveyance as between the parties to
 5.11 the deed or instrument or as to any other person who otherwise would be bound by the deed
 5.12 or instrument; or

5.13 (2) the record, as notice, of any deed or other instrument of conveyance accepted for
 5.14 filing or recording contrary to the provisions of this subdivision.

5.15 Sec. 2. Minnesota Statutes 2022, section 103I.235, is amended by adding a subdivision
 5.16 to read:

5.17 **Subd. 1a. Implementation of well disclosure certificate information technology**
 5.18 **system.** The commissioner must implement the well disclosure certificate information
 5.19 technology system no later than June 30, 2027, and must provide notice to the chairs and
 5.20 ranking minority members of the legislative committees with jurisdiction over public health
 5.21 when the information technology system is implemented. The commissioner must, by
 5.22 publication in the State Register, specify a date by which county recorders and registrars
 5.23 of titles must comply with subdivision 1, paragraph (m). This date must be at least three
 5.24 months after the commissioner publishes the date in the State Register.

5.25 Sec. 3. Minnesota Statutes 2022, section 103I.235, is amended by adding a subdivision
 5.26 to read:

5.27 **Subd. 4. Responsible person.** Following the closing of the sale of real property, the
 5.28 new property owner is the responsible person for any wells located on the property.

6.1 Sec. 4. **APPROPRIATION; WELL DISCLOSURE CERTIFICATION**
6.2 **INFORMATION TECHNOLOGY SYSTEM.**

6.3 \$..... in fiscal year 2025 is appropriated from the general fund to the commissioner of
6.4 health for the development of an information technology system for well disclosure
6.5 certificates that allows electronic submission of well disclosure certificates, accepts fee
6.6 payments, provides for issuance of well disclosure certificate numbers, and contains a
6.7 searchable database of well disclosure certificates. This is a onetime appropriation and is
6.8 available until June 30, 2027. The commissioner must incorporate any ongoing costs for
6.9 the well disclosure certificate information technology system into a service-level agreement
6.10 and must pay those costs to the Department of Information Technology Services under the
6.11 rates and mechanisms specified in the agreement.