

As used in this subdivision with respect to the United States or any agency or instrumentality of the United States, "bonds or other obligations" shall include purchases or sales of rights or options to purchase the obligations if those rights or options are traded upon a contract market designated and regulated by a federal agency.

Approved May 20, 1985

### CHAPTER 148 — S.F.No. 800

*An act relating to consumer protection; providing certain disclosures to parties to real estate transactions; prohibiting certain deceptive advertising practices; amending Minnesota Statutes 1984, sections 82.19, by adding a subdivision; 325F.68, by adding a subdivision; and 325F.69, by adding a subdivision.*

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

Section 1. Minnesota Statutes 1984, section 82.19, is amended by adding a subdivision to read:

**Subd. 5. DISCLOSURE REGARDING REPRESENTATION OF PARTIES.** (a) No person licensed pursuant to this chapter or who otherwise acts as a real estate broker or salesperson shall represent any party or parties to a real estate transaction or otherwise act as a real estate broker or salesperson unless he or she makes an affirmative written disclosure to all parties to the transaction as to which party he or she represents in the transaction. The disclosure shall be printed in at least six-point bold type on the purchase agreement and acknowledged by separate signatures of the buyer and seller.

(b) The disclosure required by this subdivision must be made by the licensee prior to any offer being made to or accepted by the buyer. A change in licensee's representation that makes the initial disclosure incomplete, misleading, or inaccurate requires that a new disclosure be made at once.

(c) The seller may, in the listing agreement, authorize the seller's broker to disburse part of the broker's compensation to other brokers, including the buyer's brokers solely representing the buyer. A broker representing a buyer shall make known to the seller or the seller's agent the fact of the agency relationship before any showing or negotiations are initiated.

Sec. 2. Minnesota Statutes 1984, section 325F.68, is amended by adding a subdivision to read:

**Subd. 5. "Going out of business sale"** means any sale advertised or held out to the public as a sale in anticipation of the imminent termination of a

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business, including any sale advertised or held out to the public as a "going out of business sale," a "close out sale," a "loss of lease sale," a "must vacate sale," a "bankruptcy sale," or in any similar terms.

Sec. 3. Minnesota Statutes 1984, section 325F.69, is amended by adding a subdivision to read:

Subd. 5. PROHIBITED GOING OUT OF BUSINESS SALES. It is illegal for any person to represent falsely that a sale is a "going out of business sale." Any representation that a sale is a "going out of business sale" is presumed to be false and illegal under this subdivision, if at that location or within a relevant market area:

(1) the sale has been represented to be a "going out of business sale" for a period of more than 120 days;

(2) the business has increased its inventory for the sale by ordering or purchasing an unusual amount of merchandise during the sale or during the 90 days before the sale began;

(3) the business, or any of its officers or directors, has advertised any other sale as a "going out of business sale" during the 120 days before this sale began;  
or

(4) the sale has continued after a date on which the business has represented, expressly or by reasonable implication, that the business would terminate.

Any presumption arising under clauses (1) to (4) may be rebutted if the business shows, by clear and convincing evidence, that the sale was in fact conducted in anticipation of the imminent termination of the business. This subdivision does not apply to a sale in any statutory or home rule charter city that by ordinance requires the licensing of persons conducting a "going out of business sale," nor to public officers acting in the course of their official duties.

Approved May 20, 1985

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#### CHAPTER 149 — S.F.No. 709

*An act relating to courts; raising the jurisdictional limit on claims heard in conciliation court; amending Minnesota Statutes 1984, sections 487.30, subdivision 1; 488A.12, subdivision 3; 488A.14, subdivision 6; 488A.29, subdivision 3; and 488A.31, subdivision 6.*

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