

## CHAPTER 83

### SUBDIVIDED LANDS

83.23 Registration requirement.  
83.30 Annual report.  
83.34 Repealed.

83.35 Enforcement; powers of commissioner.  
83.45 Advertising; specific prohibitions.

#### 83.23 REGISTRATION REQUIREMENT.

*[For text of subd 1, see M.S.1986]*

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.

The rulemaking authority in this subdivision does not include emergency rulemaking authority pursuant to chapter 14.

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, audited by an independent certified public accountant; and, if the fiscal year of the subdivider is more than 90 days prior to the date of filing the application, a financial statement, which may be unaudited, as of a date within 90 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 independently certified financial statements.

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

The rulemaking authority in this subdivision does not include emergency rulemaking authority pursuant to chapter 14.

*[For text of subd 4, see M.S.1986]*

**History:** 1987 c 358 s 98,99

### 83.30 ANNUAL REPORT.

*[For text of subd 1, see M.S.1986]*

Subd. 2. **Fee.** Every annual report filed pursuant to section 83.23, subdivision 2, shall be accompanied by a fee of \$75. Every annual report filed pursuant to section 83.23, subdivision 3, shall be accompanied by a fee of \$150.

*[For text of subd 3, see M.S.1986]*

**History:** 1987 c 358 s 100

**83.34** [Repealed, 1987 c 336 s 47]

### 83.35 ENFORCEMENT; POWERS OF COMMISSIONER.

*[For text of subds 1 and 2, see M.S.1986]*

Subd. 3. [Repealed, 1987 c 336 s 47]

*[For text of subds 4 and 5, see M.S.1986]*

### 83.45 ADVERTISING; SPECIFIC PROHIBITIONS.

The following devices or sales presentations, and the use of those devices or presentations are deceptive or misleading practices:

(1) An advertisement that offers travel, accommodations, gifts, meals, or entertainment published to induce prospective purchasers to visit a subdivision or attend a sales presentation and that:

(i) does not prominently set forth all eligibility requirements;

(ii) describes offers of travel, accommodations, gifts, meals, or entertainment as "prizes," "awards," or by words of similar import or describes prospective purchasers as "winners" or by words of similar import;

(iii) contains the words "free" or "no obligation" or similar terms unless the offer contained in the advertisement is unequivocally without conditions;

(iv) states or implies that prospective purchasers have been specially selected;

(v) does not specifically state that gifts will be provided at the time the prospective purchaser visits the subdivision or attends the sales presentation;

(vi) does not disclose on its face page the retail market value of the travel, accommodations, gifts, meals, or entertainment provided. For purposes of this paragraph, "retail market value" means: the retail price the item sells for in Minnesota; or if the item is not sold in Minnesota, the retail price the item sells for in states contiguous to Minnesota; or if the item is not sold in Minnesota or in any state contiguous to this state, the retail price the item sells for anywhere in the United States;

(vii) does not specifically and prominently disclose that the purpose of the offer of travel, accommodations, gifts, meals, or entertainment is to induce prospective purchasers to visit a subdivision or attend a sales presentation where they will be encouraged to purchase subdivided land;

(viii) does not completely disclose rules and procedures if travel, accommodations, gifts, meals, or entertainment are offered through a "sweepstakes," "giveaway," or similar contest;

(ix) does not specifically disclose the odds, as a fraction, using a common denominator, of a prospective purchaser's receiving each gift if the gift is offered through a "sweepstakes," "giveaway," or similar contest; or

(x) does not clearly and prominently state that gifts may be given to persons outside the state if the advertisement is part of a national advertising campaign.

(2) An advertisement that does not prominently disclose the name, address, and phone number of the subdivider on whose behalf the advertisement is distributed.

(3) An advertisement prepared on the stationery of a person other than the subdivider which creates a likelihood of confusion, misunderstanding, or deception.

**History:** 1987 c 154 s 10