



1           §   -3   **Prohibitions on sales of agricultural lands.**

2   Except as provided in section       -4, no seller may sell  
3   agricultural land unless:

4           (1)   Prior to the sale of the agricultural land, a  
5               disclosure statement is:

6               (A)   Signed and dated by the seller within six months  
7                   before or ten calendar days after the acceptance  
8                   of a real estate purchase contract by the buyer;  
9                   and

10            (B)   Delivered to the buyer as provided in section  
11               -5;

12           (2)   The buyer acknowledges receipt of the disclosure  
13               statement on the real estate purchase contract, or in  
14               any addendum attached to the contract, or in a  
15               separate document; and

16           (3)   The buyer is afforded the opportunity to examine the  
17               disclosure statement as provided in section       -5.

18           §   -4   **Exemptions.**   This chapter shall not apply to the  
19   following sales of agricultural land:

20           (1)   Sale to a co-owner;

21           (2)   Sale to a spouse, parent, or child of the seller;

22           (3)   Sale by devise, descent, or court order;



- 1           (4) Sale by operation of law, including, but not limited  
2           to, any transfer by foreclosure, bankruptcy, or  
3           partition, or any transfer to a seller's creditor  
4           incident to a deed (or assignment) in lieu of  
5           foreclosure, workout, or the settlement or partial  
6           settlement of any preexisting obligation of a seller  
7           owed a creditor and any later sale of residential real  
8           property by such creditor; and
- 9           (5) Sale by a lessor to a lessee resulting from conversion  
10          of leased land to fee simple.

11          §   -5   **Delivery of disclosure statement to buyer;**

12 **procedures.** (a) No later than ten calendar days from  
13 acceptance of a real estate purchase contract, the seller,  
14 either directly or through the seller's agent, shall provide the  
15 disclosure statement to the buyer.

16          (b) Upon receipt of the disclosure statement, the buyer  
17 shall have fifteen calendar days to:

- 18          (1) Examine the disclosure statement; and  
19          (2) Decide whether to rescind the real estate purchase  
20          contract.

21          If the buyer decides to rescind the real estate purchase  
22 contract, the buyer shall deliver, to the seller directly or



1 through the seller's agent within the fifteen-day period,  
2 written notification of the buyer's decision to rescind the real  
3 estate purchase contract. Failure to deliver the written  
4 notification to the seller within the fifteen-day period shall  
5 be deemed an acceptance of the disclosure statement.

6 (c) The seller and buyer may agree in writing to reduce or  
7 extend the time period provided for the delivery or examination  
8 and rescission period. The form of the receipt for the  
9 disclosure statement required by section -3(2) shall provide  
10 that the buyer has the right to examine the disclosure statement  
11 and to rescind the real estate purchase contract in accordance  
12 with this section.

13 § -6 Remedies; voidable contracts. (a) A buyer may  
14 elect to complete the purchase of the agricultural land even if  
15 the seller fails to comply with the requirements of this  
16 chapter. After recordation of the sale of agricultural land, a  
17 buyer shall have no right under this chapter to rescind the real  
18 estate purchase contract despite the seller's failure to comply  
19 with the requirements of this chapter.

20 (b) If the buyer is provided a disclosure statement  
21 prepared and delivered in accordance with this chapter and the  
22 buyer decides to rescind the real estate purchase contract, the



1 buyer shall not be entitled to any damages but shall be entitled  
2 to the immediate return of all deposits.

3 (c) In addition to the rights of rescission granted to the  
4 buyer under this chapter, if the seller negligently fails to  
5 provide the disclosure statement required by this chapter, the  
6 seller shall be liable to the buyer for the amount of the actual  
7 damages, if any, suffered as a result of the seller's  
8 negligence.

9 (d) In addition to the remedies allowed under subsection  
10 (b) or (c), a court may also award the prevailing party  
11 attorney's fees, court costs, and administrative fees.

12 **§ -7 Rescission.** Notwithstanding anything to the  
13 contrary in this chapter, any action for rescission brought  
14 under this chapter shall commence prior to the recorded sale of  
15 the real property.

16 **§ -8 Limitation of actions.** (a) Any action brought  
17 under this chapter shall commence within two years from the date  
18 the buyer received the disclosure statement; provided that if no  
19 disclosure statement was delivered to the buyer, then the action  
20 shall commence within two years of the recorded sale of the  
21 agricultural land.



1 (b) This chapter supersedes all other laws relating to the  
2 time for commencement of actions for failure to make the  
3 disclosures required by this chapter.

4 § -9 **Other disclosures.** The provisions of this chapter  
5 shall not relieve or release a seller or a seller's agent of any  
6 other requirements of disclosure with regard to a sale of real  
7 property, including but not limited to the provisions contained  
8 in chapter 508D.

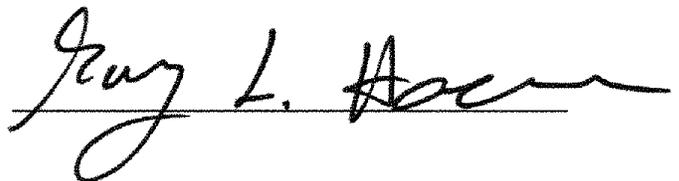
9 § -10 **Preparation of disclosure form.** The land use  
10 commission shall prepare the disclosure statement form described  
11 in section 1 and make it available to the real estate commission  
12 and owners of agricultural lands described in section 1."

13 SECTION 2. This Act does not affect rights and duties that  
14 matured, penalties that were incurred, and proceedings that were  
15 begun, before its effective date, and shall have no effect on  
16 any real estate sales contract that was fully executed and  
17 delivered prior to the effective date of this Act.

18 SECTION 3. This Act shall take effect upon its approval,  
19 provided that section 1 shall take effect on September 1, 2007.

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INTRODUCED BY:





**Report Title:**

Agricultural Lands; Sale Disclosures

**Description:**

Requires seller or seller's agent to provide buyer with disclosure of permitted uses and prohibited uses or activities on agricultural lands prior to sale.

