



March 15, 2021

RE: Written Testimony in Support of SB 2247

Dear Chairman Lefor and Members of the House Industry, Business and Labor Committee,

The Fargo-Moorhead Area Association of REALTORS® is in support of SB 2247 regarding Property Disclosure Requirements. North Dakota Century Code 47-10-02.1 was passed in 2019 to provide protection for buyers and sellers of residential property in North Dakota. Unfortunately, the current statute has caused confusion for consumers, real estate licensees and others involved in real estate transactions. It is inferred that not all sellers are required to disclose material facts regarding their property if it is not their primary residence or when a real estate licensee is not involved in the transaction.

In the North Dakota Supreme Court case *Holcomb v. Zinke* in 1985, the court declared “a seller of defective property has a duty to disclose material facts which are known by the seller or should be known to the seller and which would not be discoverable by the buyer’s exercise of ordinary care and diligence.” A material fact in real estate is information about the property’s condition, whether apparent or not, that might cause a buyer to make a different decision or the price they will pay regarding the property purchase. Often, undisclosed material facts can cause serious financial repercussions to the buyer.

We believe that all sellers of residential property (1-4 units) should be required to disclose material facts to buyers in the sale of residential real estate, regardless of whether it is their primary residence or if there is a real estate licensee involved in the transaction. The changes in SB 2247 will ensure all consumers are protected.

The Fargo-Moorhead Area Association of REALTORS® represents almost 1,000 real estate licensees in the state of North Dakota and has been in existence since 1921. We ask that you support SB 2247.

Sincerely,

Nick Olson, President

Marti Kaiser, CEO

FARGO-MOORHEAD Area Association of REALTORS®

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