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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2093

02/25/2014 Authored by Carlson, Pelowski and Drazkowski

The bill was read for the first time and referred to the Committee on Government Operations

02/27/2014 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act

1.2 relating to state government; prohibiting state agencies from paying more than

1.3 ten percent over the appraised value to acquire real property; proposing coding

1.4 for new law in Minnesota Statutes, chapter 16B.

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

1.6 Section 1. **[16B.297] ACQUISITION OF REAL PROPERTY.**

1.7 Subdivision 1. **Definition.** For the purposes of this section, "agency" means an

1.8 agency as defined in section 16B.01, subdivision 2, and the Board of Trustees of the

1.9 Minnesota State Colleges and Universities, but does not include the Department of Natural

1.10 Resources or the Board of Water and Soil Resources.

1.11 Subd. 2. **Maximum price.** When an agency is authorized to acquire real property or

1.12 an interest in real property with public money, the procedure in this section applies. The

1.13 agency must first prepare a fact sheet providing a legal description of the real property

1.14 to be acquired and the legal authority for its acquisition. The agency must provide for

1.15 the real property to be appraised. An appraiser shall, before entering upon the duties of

1.16 office, take and subscribe an oath to faithfully and impartially discharge the duties as an

1.17 appraiser according to the best of the appraiser's ability and attest that the appraiser is not

1.18 interested directly or indirectly in any of the real property to be appraised. The oath must

1.19 be attached to the report of the appraisal. The agency may pay less than the appraised

1.20 value but must not agree to pay more than ten percent above the appraised value, except if

1.21 the agency pays less than the appraised value for the real property, the difference between

1.22 the purchase price and the appraised value may be used to apply to purchases at more than

1.23 the appraised value. The sum of accumulated differences between appraised amounts and

1.24 purchases for more than the appraised amount may not exceed the sum of accumulated

- 2.1 differences between appraised amounts and purchases for less than the appraised amount.
- 2.2 New appraisals may be made at the discretion of the agency.