

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.

1.10 Subd. 2. **Maximum price.** When an agency is authorized to acquire real property or
1.11 an interest in real property with public money, the procedure in this section applies. The
1.12 agency must first prepare a fact sheet providing a legal description of the real property to
1.13 be acquired and the legal authority for its acquisition. The agency must obtain an appraisal
1.14 of the real property by a person licensed under chapter 82B as an appraiser for the type
1.15 of real property being appraised and the appraisal must be done in accordance with the
1.16 requirements of chapter 82B. The appraiser shall not have an interest directly or indirectly
1.17 in any of the real property to be appraised. The agency may pay less for the property than
1.18 the appraised value but must not agree to pay more than ten percent above the appraised
1.19 value. The appraised value does not include closing, relocation, or other costs authorized
1.20 by law. The agency must not pay for any of the seller's administrative costs. The seller's
1.21 appraisal must not include any administrative costs paid by the seller to acquire the
1.22 property. If the real property is appraised at less than \$100,000 by the agency and the seller,
1.23 the agency may pay more than 110 percent of the agency's appraised value but no more than
1.24 the seller's appraised value. New appraisals may be made at the discretion of the agency.