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State of Minnesota

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HOUSE OF REPRESENTATIVES Unofficial Engrossment

House Engrossment of a Senate File

EIGHTY-EIGHTH SESSION

S. F. No. 2175

Senate Author(s): Bonoff, Cohen, Clausen and Rest

House Action

04/24/2014 Companion to House File No. 2093. (Authors: Carlson, Pelowski and Drazkowski)

Read First Time and Referred to the Committee on Ways and Means

04/29/2014 Adoption of Report: Amended and Placed on the General Register

Read Second Time

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
1.10 Transportation, the Department of Natural Resources, or the Board of Water and Soil
1.11 Resources.

1.12 Subd. 2. Maximum price. When an agency is authorized to acquire real property or
1.13 an interest in real property with public money, the procedure in this section applies. The
1.14 agency must first prepare a fact sheet providing a legal description of the real property to
1.15 be acquired and the legal authority for its acquisition. The agency must obtain an appraisal
1.16 of the real property by a person licensed under chapter 82B as an appraiser for the type
1.17 of real property being appraised and the appraisal must be done in accordance with the
1.18 requirements of chapter 82B. The appraiser shall not have an interest directly or indirectly
1.19 in any of the real property to be appraised. The agency may pay less for the property than
1.20 the appraised value but must not agree to pay more than ten percent above the appraised
1.21 value. The appraised value does not include closing, relocation, or other costs authorized
1.22 by law. 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.