

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH SESSION

S.F. No. 2175

(SENATE AUTHORS: BONOFF, Cohen, Clausen and Rest)

DATE	D-PG	OFFICIAL STATUS
03/03/2014	5923	Introduction and first reading Referred to State and Local Government
03/04/2014	5964	Author added Rest
03/12/2014	6121a	Comm report: To pass as amended and re-refer to Higher Education and Workforce Development
03/19/2014	6320	Comm report: To pass and re-referred to Judiciary
03/26/2014		Comm report: To pass as amended and re-refer to Finance

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 valued in excess of \$100,000 with public money, the procedure
 1.14 in this section applies. The agency must first prepare a fact sheet providing a legal
 1.15 description of the real property to be acquired and the legal authority for its acquisition.
 1.16 The agency must obtain an appraisal of the real property by an appraiser who holds a
 1.17 state appraiser license issued by the Department of Commerce. The appraisal must be
 1.18 in conformity with the Uniform Standards of Professional Appraisal Practice of the
 1.19 Appraisal Foundation. The appraiser shall not have an interest directly or indirectly in
 1.20 any of the real property to be appraised. The agency may pay less for the property than
 1.21 the appraised value but must not agree to pay more than ten percent above the appraised
 1.22 value. If the agency pays less than the appraised value for the real property, the difference
 1.23 between the purchase price and the appraised value may be used to apply toward other
 1.24 purchases of real property at more than the appraised value. The sum of accumulated

- 2.1 differences over the prior 12 months between appraised amounts and purchases for more
2.2 than the appraised amount may not exceed the sum of accumulated differences over the
2.3 prior 12 months between appraised amounts and purchases for less than the appraised
2.4 amount. New appraisals may be made at the discretion of the agency.