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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **247**

01/17/2017 Authored by Green, McDonald, Swedzinski, Bliss, O'Neill and others
The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy

1.1 A bill for an act
1.2 relating to state and local government; limiting amount a public agency may pay
1.3 to acquire real property or an interest in real property; proposing coding for new
1.4 law in Minnesota Statutes, chapter 15; repealing Minnesota Statutes 2016, section
1.5 16B.297.

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

1.7 Section 1. **[15.0541] PURCHASE OF PROPERTY.**

1.8 Notwithstanding any other provision in law or rule, a public agency, as defined in section
1.9 15.71, subdivision 3, authorized to acquire real property or an interest in real property with
1.10 public money, that is purchasing real property, shall not pay more than the county-assessed
1.11 value of the real property.

1.12 Sec. 2. **REPEALER.**

1.13 Minnesota Statutes 2016, section 16B.297, is repealed.

16B.297 ACQUISITION OF REAL PROPERTY.

Subdivision 1. **Definition.** For the purposes of this section, "agency" means an agency as defined in section 16B.01, subdivision 2, and the Board of Trustees of the Minnesota State Colleges and Universities, but does not include the Department of Transportation, the Department of Natural Resources, or the Board of Water and Soil Resources.

Subd. 2. **Maximum price.** When an agency is authorized to acquire real property or an interest in real property with public money, the procedure in this section applies. The agency must first prepare a fact sheet providing a legal description of the real property to be acquired and the legal authority for its acquisition. The agency must obtain an appraisal of the real property by a person licensed under chapter 82B as an appraiser for the type of real property being appraised and the appraisal must be done in accordance with the requirements of chapter 82B. The appraiser shall not have an interest directly or indirectly in any of the real property to be appraised. The agency may pay less for the property than the appraised value but must not agree to pay more than ten percent above the appraised value. If the real property is appraised at less than \$100,000 by the agency and the seller, the agency may pay more than 110 percent of the agency's appraised value but no more than the seller's appraised value. New appraisals may be made at the discretion of the agency.