

CHAPTER 304--S.F.No. 2175

An act relating to state government; prohibiting state agencies from paying more than ten percent over the appraised value to acquire real property; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 16B.

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

Section 1. [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.

Sec. 2. REPORT.

The commissioner of management and budget shall report by January 15, 2015, to the chairs and ranking minority members of the legislative committees with jurisdiction over policy and finance relating to real property acquisition by the state on what information and documentation related to the parties' administrative costs should be required before the state agrees to acquire real property or an interest in real property. The commissioner, as part of the report, shall recommend whether exceptions to the requirements of Minnesota Statutes, section 16B.297, are necessary to protect the public interest and make recommendations for appropriate exceptions, if any.

Presented to the governor May 17, 2014

Signed by the governor May 21, 2014, 10:47 a.m.