

**6122.0200 DEFINITIONS.**

Subpart 1. **Scope.** The terms used in parts 6122.0100 to 6122.0400 have the meanings given them in this part.

Subp. 2. **Appraised value.** "Appraised value" means the market value, as defined in subpart 11.

Subp. 3. **Commissioner.** "Commissioner" means the commissioner of natural resources of the state of Minnesota or the commissioner's designated representative.

Subp. 4. **Department.** "Department" means the Minnesota Department of Natural Resources.

Subp. 5. **Fee simple estate.** "Fee simple estate" means absolute ownership unencumbered by any other interest or estate subject only to the four powers of government (eminent domain, escheat, police power, and taxation).

Subp. 6. **Highest and best use.** "Highest and best use" means the reasonably probable and legal use of vacant land or an improved property. Criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Subp. 7. **Improvements on a leased lot.** "Improvements on a leased lot" means any structures or things erected or constructed on a lot for its utilization including, but not limited to, buildings, fences, driveways, retaining walls, wells, and septic systems.

Subp. 8. **Improvements to a leased lot.** "Improvements to a leased lot" means additions to the property to make it usable, including, but not limited to, curbs, drains, excavations, and fills.

Subp. 9. **Lease.** "Lease" means a written document between a property owner as lessor and a lessee, by which the specified rights of use and occupancy of land are transferred by the owner to the lessee for a defined period of time in return for the lessee's payment of the lease fee and promise to abide by the terms and conditions of the lease. Lessor, for purpose of these rules, is the state of Minnesota acting by and through its commissioner of natural resources.

Subp. 10. **Lease fee.** "Lease fee" means the annual rental charge the lessee must pay the lessor under the terms specified in the lease.

Subp. 11. **Market value.** "Market value" also referred to as "appraised value" means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, between a prudent and knowledgeable buyer and seller, and assuming the price is not affected by undue stimulus. Market value is shown

by the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- A. buyer and seller are typically motivated;
- B. both parties are well informed or well advised, and acting in what they consider their best interests;
- C. a reasonable time is allowed for exposure in the open market;
- D. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- E. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Subp. 12. **Mass appraisal.** "Mass appraisal" means the process of valuing a universe of leased lots as of a given date utilizing standard methodology, employing common data, and allowing for statistical testing.

Subp. 13. **Minnesota Department of Revenue annual assessment data.** "Minnesota Department of Revenue annual assessment data" means the State Board of Equalization Summary of Board Orders (1994 Edition and subsequent editions) compiled by the Department of Revenue and issued through the property tax division of the department, containing data collected on sales of various land classifications from each county in the state. The annual assessment data are incorporated by reference. The annual assessment data are subject to frequent change, and are available through the Minitex interlibrary loan system.

Subp. 14. **Subject lot.** "Subject lot" means the leased lot whose appraised value is being determined.

Subp. 15. **Uniform Standards.** "Uniform Standards" means the Uniform Standards of Professional Appraisal Practice (1993 Edition and subsequent amendments) adopted by the Appraisal Standards Board of the Appraisal Foundation, which provide guidelines for the development of appraisal reports. The Uniform Standards are incorporated by reference. The Uniform Standards are subject to frequent change, and are available through the Minitex interlibrary loan system.

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