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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-SIXTH
SESSION**

HOUSE FILE No. 1191

March 2, 2009

Authored by Hortman

The bill was read for the first time and referred to the Transportation and Transit Policy and Oversight Division

March 30, 2009

Committee Recommendation and Adoption of Report:

To Pass and Read Second Time

May 18, 2009

Pursuant to Rule 4.20, re-referred to the Transportation and Transit Policy and Oversight Division

March 22, 2010

Committee Recommendation and Adoption of Report:

To Pass

Read Second Time

1.1 A bill for an act
1.2 relating to metropolitan government; highways; modifying provisions relating
1.3 to loans to acquire highway right-of-way in the metropolitan area; amending
1.4 Minnesota Statutes 2008, section 473.167, subdivision 2a.

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

1.6 Section 1. Minnesota Statutes 2008, section 473.167, subdivision 2a, is amended to
1.7 read:

1.8 Subd. 2a. **Hardship Loans for acquisition and relocation.** (a) The council may
1.9 make ~~hardship~~ loans to acquiring authorities within the metropolitan area to purchase
1.10 homestead property located in a proposed state trunk highway right-of-way or project,
1.11 and to provide relocation assistance. Acquiring authorities are authorized to accept the
1.12 loans and to acquire the property. Except as provided in this subdivision, the loans shall
1.13 be made as provided in subdivision 2. Loans shall be in the amount of the fair market
1.14 value of the homestead property plus relocation costs and less salvage value. Before
1.15 construction of the highway begins, the acquiring authority shall convey the property to
1.16 the commissioner of transportation at the same price it paid, plus relocation costs and less
1.17 its salvage value. Acquisition and assistance under this subdivision must conform to
1.18 sections 117.50 to 117.56.

1.19 (b) The council may make ~~hardship~~ loans only when:

1.20 (1) the owner of affected homestead property requests acquisition and relocation
1.21 assistance from an acquiring authority;

1.22 (2) federal or state financial participation is not available;

1.23 (3) the owner is unable to sell the homestead property at its appraised market

1.24 value because the property is located in a proposed state trunk highway right-of-way or

2.1 project as indicated on an official map or plat adopted under section 160.085, 394.361, or
2.2 462.359; and

2.3 (4) the council agrees to and approves the fair market value of the homestead
2.4 property, which approval shall not be unreasonably withheld; ~~and.~~

2.5 ~~(5) the owner of the homestead property is burdened by circumstances that constitute~~
2.6 ~~a hardship, such as catastrophic medical expenses; a transfer of the homestead owner by~~
2.7 ~~the owner's employer to a distant site of employment; or inability of the owner to maintain~~
2.8 ~~the property due to physical or mental disability or the permanent departure of children~~
2.9 ~~from the homestead.~~

2.10 (c) For purposes of this subdivision, the following terms have the meanings given
2.11 them.

2.12 (1) "Acquiring authority" means counties, towns, and statutory and home rule
2.13 charter cities in the metropolitan area.

2.14 (2) "Homestead property" means a single-family dwelling occupied by the owner,
2.15 and the surrounding land, not exceeding a total of ten acres.

2.16 (3) "Salvage value" means the probable sale price of the dwelling and other property
2.17 that is severable from the land if offered for sale on the condition that it be removed from
2.18 the land at the buyer's expense, allowing a reasonable time to find a buyer with knowledge
2.19 of the possible uses of the property, including separate use of serviceable components and
2.20 scrap when there is no other reasonable prospect of sale.