



LCCMR Transaction Costs Reporting Guidelines

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For all acquisitions of land in fee title or conservation easement using monies in whole or in part from the Environment and Natural Resources Trust Fund (ENRTF), Minnesota law requires specific documentation be provided to the Legislative-Citizen Commission on Minnesota Resources to ensure public accountability for use of public funds.

1. All Related Transaction Costs and Donations

“All related transaction costs” refers to all costs involved when acquiring land in fee title or conservation easement by purchase at either full or less than full value, including but not limited to appraisals, legal fees, recording fees, commissions or other similar costs, and any associated donations. This information must be provided for all parties involved in the transaction.

“Donations” are those directly associated with or related to any land acquisition funded in whole or in part by ENRTF funds. This pertains to any donations that are a result of a recipient of ENRTF funds receiving a donation from the landowner that is in any way related to facilitating a land acquisition or any related transactions. Types of donations that do not need to be reported include donations not related to a land acquisition or any related transactions, donations from landowners/sellers that are in response to a broad solicitation made to a wide group of potential donors, or donations made a significant time before or after the land transactions.

To fulfill this requirement, provide the information in the following manner:

1. Costs should be reported in the work plan, either as budgeted eligible costs to be paid for with ENRTF funds, or as cost-shared expenses included in the “other funds” section of the budget. The source of funds and the specific expense should be noted.
2. Costs and donations for each particular transaction should be reported in a transaction cost report, using your format or template available from LCCMR.

2. Differences in Acquisition Amount Paid Compared to Appraisal

Any difference between the acquisition amount paid to the seller and the state certified or state reviewed appraisal amount, if a state appraisal is required, must be reported. This is sometimes referred to as a “bargain sale”.

To fulfill this requirement, provide:

1. Signed copy of the land owner bill of rights.
2. Signed copy of the landowner’s acknowledgement of being made aware of the state certified appraised value of their property. When a non-state entity is acquiring land for which a state certified appraisal is not required, the land owner shall be made aware of and acknowledge the appraisal amount that is the basis for reimbursement from the state with ENRTF funds.
3. The amount of a “bargain sale” should be reported in the work plan as non-state “Other Funds” funds leveraged. A “bargain sale” is defined as the difference between the appraised amount and the lesser amount the seller agrees to accept for the sale of the property.