

CHAPTER 8110
DEPARTMENT OF REVENUE
PROPERTY EQUALIZATION
CERTIFICATE OF REAL ESTATE VALUE

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8110.0100 GENERAL INFORMATION REQUIRED.

In order to be accepted for filing, a certificate of real estate value must contain the following data:

- A. Buyer's name and address.
- B. Seller's name and address.
- C. Legal description of all parcels involved in the transaction. The property identification number assigned by the county for administration of the property tax system is not sufficient.
- D. Location of property described such as street address.
- E. A statement signed by the buyer that the information provided on the certificate is correct and complete under penalty of the law. "Buyer" for the purpose of this rule means the individual or one of the individuals who will get title to the property. If a partnership will get title to the property, the buyer is a partner. If a corporation will get title, the buyer is an officer.

For any entity, "buyer" may also include a natural person who is an agent of the buyer and who has knowledge of the transaction.

F. A telephone number at which the buyer can be reached during the day. If the buyer has no current telephone number, but has an agent or attorney, the telephone number of the agent or attorney may be used.

Statutory Authority: *MS s 270.06; 270C.06; 272.115*

History: *9 SR 914; 17 SR 1279; 27 SR 1603; L 2005 c 151 art 1 s 114*

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8110.0200 FINANCING INFORMATION REQUIRED.

Subpart 1. **Type of transfer.** The certificate of value must include data regarding the type of purchase or transfer and must require the buyer to indicate if:

- A. the buyer and seller are natural persons related to each other (the relation may be by blood, marriage, or adoption) or are related business operations;
- B. the transfer or purchase was of a partial interest in the property;
- C. the property was transferred as part of a trade of properties;

D. the property was transferred or conveyed to a government or a charitable organization as defined in section 501(c)(3) of the Internal Revenue Code;

E. the transfer or conveyance was intended only to add or remove a coowner's name from the title of the property;

F. the property was transferred or conveyed as part of a forced sale such as foreclosure or condemnation;

G. the transfer was a result of a gift or inheritance; or

H. the property was transferred or conveyed in fulfillment of a contract for deed or other purchase agreement dated more than two years before the transfer.

Subp. 2. **Type of property; financing.** If none of the descriptions in subpart 1 apply, the buyer must provide the data required by items A to I.

A. Type of property transferred or conveyed, including, but not limited to: land only; land with buildings; buildings only; and information relating to any new construction, demolition, or additions to buildings which occurred between January 1 of the year of sale and date of the original agreement.

B. Whether the principal intended use of the property is:

- (1) residential containing no more than three units;
- (2) apartments containing four or more units;
- (3) seasonal residential recreational property not used for commercial purposes;
- (4) agricultural;
- (5) commercial or industrial, including seasonal residential recreational property; or
- (6) a use other than those listed in subitems (1) to (5) with a brief description of intended use.

C. Date of original agreement establishing the sales price of the property being transferred. Usually this will be the date of the earnest money agreement or other similar agreement requiring performance at an agreed price.

D. Total purchase price of all real, personal, or intangible property being transferred or conveyed as established by the original agreement.

E. Total down payment paid by buyer to include amounts paid prior to and at the time of closing.

F. Information regarding any preexisting financing for which the buyer will assume responsibility from the seller for repayment of the debt, which must include:

- (1) unpaid balance on contract for deed, mortgage, and/or other financing assumed;
- (2) current interest rate on assumed balance;
- (3) remaining period over which the assumed loan balance is to be amortized;
- (4) amount of monthly payment for reduction of principal and interest;
- (5) if scheduled payments are not on a monthly basis, a description of the payment schedule including frequency and amount of each payment;

(6) if the interest rate is subject to change during the repayment period, a description of the anticipated change; and

(7) date of any lump sum payments required at or before the end of the amortization period.

If the buyer is assuming the seller's obligation to repay on more than one debt, the certificate must include full details on each debt.

G. Information regarding any new loans obtained by the buyer, including:

(1) principal amount being financed;

(2) interest rate;

(3) amortization period;

(4) amount of monthly payment for reduction of principal and interest;

(5) if scheduled payments are not on a monthly basis, a description of the payment schedule including frequency and amount of each payment;

(6) if the interest rate is subject to change during the repayment period, a description of the anticipated change;

(7) points paid and whether paid by the seller or the buyer (but not to include origination fees); and

(8) date of any lump sum payments required at or before the end of the amortization period.

If the buyer is financing the purchase of the property through more than one debt, full details will be required on each debt.

H. Value of all personal property included in total sales price, including, but not limited to:

(1) stoves, refrigerators, other appliances, drapes, tools, and accessories, as part of the transfer of residential property;

(2) crops, livestock, tools, machinery, or equipment as part of the transfer of agricultural property; and

(3) inventory, equipment, or fixtures as part of the transfer of commercial property.

I. Value of all intangible property included in total sales price, including, but not limited to, goodwill, licenses, franchises, patents, or business name as part of the transfer of a business operation.

Statutory Authority: *MS s 270.06; 270C.06; 272.115*

History: *9 SR 914; 27 SR 1603; L 2005 c 151 art 1 s 114*

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8110.0250 INFORMATION REQUIRED FOR APARTMENT, COMMERCIAL/INDUSTRIAL, OR FARM SALES.

In the case of sales of apartment, commercial/industrial, or farm properties, if none of the descriptions in part 8110.0200, subpart 1, items A to H, apply, in addition to the information provided in part 8110.0200, subpart 2, the buyer must provide the following information:

- A. Whether the buyer or seller paid someone to make an appraisal of the property's value prior to its sale and, if known, the appraised value.
- B. Whether the buyer was an owner of adjacent property and, if so, whether the buyer believes that the buyer paid a higher price than other potential buyers.
- C. Whether the buyer believes for any other reason that the price the buyer paid was considerably different from what the buyer believes other similar properties would sell for.
- D. Whether the total purchase price represents allocation of a sales price that includes another property or properties sold to the buyer at the same time.
- E. Whether the buyer leased the property from the seller before the purchase.
- F. Whether the seller leased the property from the buyer after the purchase.
- G. Whether the sale was announced or promoted through realtor listings, newspaper or other publications, advertisements, or through brochure or other promotional or informational mailings or some other method.
- H. In the case of rental property, whether the buyer was guaranteed a minimum level of rental income.
- I. Whether a foreclosure, court judgment, order, or other legal proceeding was pending in connection with the property when it was sold.
- J. In the case of commercial/industrial properties, how the property was used before it was sold.
- K. In the case of apartment properties, the total number of apartment buildings included in the sales price and the total number of rental units in all buildings.
- L. In the case of farm properties:
- (1) the number of irrigated acres; and
 - (2) the number of acres enrolled in Reinvest in Minnesota (RIM), the Conservation Reserve Program (CRP), the Conservation Reserve Enhancement Program (CREP), and any other similar program designated by the commissioner of revenue.

Statutory Authority: *MS s 270.06; 270C.06; 272.115*

History: *27 SR 1603; L 2005 c 151 art 1 s 114*

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8110.0300 SUPPLEMENTAL DOCUMENTS.

When completing the certificate, the buyer may attach supplemental documents if the buyer needs to expand on any of the requested data. For example, in the case of a lengthy legal description of the property being transferred or conveyed, a copy of the deed may be attached. Any supplemental documents accompanying the certificate must be attached to the Department of Revenue's copy of the certificate.

Statutory Authority: *MS s 270.06; 270C.06; 272.115*

History: *9 SR 914; 27 SR 1603; L 2005 c 151 art 1 s 114*

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8110.0400 FORM TO BE COMPLETE AND SIGNED.

The county auditor shall not accept a certificate for filing unless the form is complete and contains the buyer's signature.

The county auditor shall accept for filing any certificate which contains only the data required by part 8110.0100 if the certificate shows that one of the types of transfers listed in part 8110.0200, subpart 1 is involved. If the type of transfer involved is not listed in part 8110.0200, subpart 1, the county auditor shall not accept the certificate unless the data required by part 8110.0200, subpart 2 is included on the form. If the form is complete, the county auditor shall accept the certificate and has no responsibility for the accuracy for the data provided.

Statutory Authority: *MS s 270C.06; 272.115*

History: *9 SR 914; L 2005 c 151 art 1 s 114*

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8110.0500 COMMISSIONER MAY REQUIRE ADDITIONAL INFORMATION.

The commissioner of revenue may require additional information to be included on the Certificate of Real Estate Value as is necessary for the preparation of the annual assessment/sales ratio study. The additional information must be consistent with the most recent Standard on Assessment Ratio Studies published by the assessment standards committee of the International Association of Assessing Officers and specific procedures published in the State Register by the Commissioner of Revenue pursuant to Minnesota Statutes, section 273.1325, subdivision 2.

Statutory Authority: *MS s 270.06; 270C.06; 272.115*

History: *27 SR 1603; L 2005 c 151 art 1 s 114; L 2013 c 143 art 14 s 110*

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