

# Minnesota Department of Natural Resources



## Division of Lands and Minerals Value Determination Process

### Use For: Easements, License & Leases

- I. Review the legal description and acreage for the parcel(s) needing a fee.
- II. Identify the land type (agricultural, recreational, commercial, residential, etc...).
- III. Consider the following sources to derive the land value. Use the per acre land value found in this process in the fee determination report.
  - A. Contact the Assessors Office for the current per acre land rate:
    1. Contact the Assessors Office to find out the current per acre land for the land type of the subject (ex. the current per acre rate used to determine the estimated market value for waste land).
    2. It is recommended to talk with the assessor that sets the values in the jurisdiction of the subject property.
  - B. Search the County website for the current estimated market value:
    1. Find the parcel number by searching the County database.
    2. Look up the parcel information; this would include the parcel acreage and current market value of the land.
      - a. Be sure to know what the entire parcel number contains. Although you may only be interested in 3 acres, the larger parcel may contain 160 acres and include riparian frontage or improvements (buildings), which will distort the values.
      - b. In most instances, the estimated market value of the subject parcel can be used in the valuation. In some instances, it may also be appropriate to look at the estimated market values of other similar public or private land in the surrounding area. It is recommended to review the market value with a Realty Specialist or Senior Realty Specialist if you have any questions.
    3. Print the parcel information to indicate where the data was derived. Attach this information to the regional copy of the fee determination report.
  - C. Search the County Assessors Office sale information:
    1. If sales information is available online, search the County website for sales. If not, a phone call or trip to the courthouse may be necessary. Supervisor approval required for travel.
    2. Review the most recent sales of comparable land.
      - a. Select sales with similar location, land type and size.
      - b. If the subject is riparian, be sure to find similar riparian sales.
      - c. It is recommended to review at least three similar sales.
    3. Make copies of the sale data and attach to the regional copy of the fee determination report.
  - D. Other: If the information is not sufficient, check other sources such as:
    1. Search the U of M value website: <http://landeconomics.umn.edu/>
      - a. Go to the land economics website listed above.
      - b. Select the search criteria (land sales, farmland sales, etc...).
      - c. Enter the county, township, year and other data as needed.
      - d. Print the report to attach to the fee determination summary for the Regional file.
- IV. Scan the fee determination report, resource information and the GroupWise email templates "Lease Memo" or "Easement Memo" to an electronic file. In addition, make a hard copy of these documents for the regional file. The supporting documentation for the land valuation should also be maintained as a hard copy in the regional file.
- V. Indicate the value derived from the fee determination report on the GroupWise email templates sent to Central Office. Electronically send the email template with any attachments (ex. RMT report or fee determination report) to the Realty Specialist (Contracts) at Central Office.