Guidebook

for Property Owners

GUIDE FOR PROPERTY OWNERS

DEPARTMENT OF TRANSPORTATION

The Minnesota Department of Transportation is responsible for the administration, planning, construction, maintenance, and safety of the State's highway system and airports. Each year MnDOT makes efforts to reduce traffic congestion and crashes through the use of the State's expanded trunk highway and federal interstate and airport programs. As a result, the State may be required to purchase property owned by individual citizens.

This guide outlines the laws and procedures MnDOT must follow in the land acquisition process. Please review the information carefully to better understand your legal rights as a property owner.

For MnDOT projects, to request this document in an alternative format, call:

MnDOT's Disability Programs Coordinator
651-366-4718 (Metro), or
1-800-657-3774 (Greater Minnesota)
(Please request one week in advance.)

For assistance in placing your call
TTY, Voice, ASCII, or Hearing Carry Over
Dial 711 -or- 1-800-627-3529
(Minnesota Relay)

April 2026

GENERAL INFORMATION

How MnDOT Acquires Property:

Minnesota law allows the State and certain other governmental agencies to acquire property for public purposes such as schools, parks, libraries, recreation facilities, airports and highways.

The Constitution of the United States and the State of Minnesota requires a payment of "Just Compensation" to the owner for property being acquired or damaged for public use.

Payment of "Just Compensation" means that the owner is entitled to the fair market value of their property, which is generally defined as the amount the buyer and seller agree upon based on a valuation of the property.

Prior to Land Acquisition:

During the land acquisition process, a survey crew may request permission to enter your land to obtain information for the planning and engineering of the proposed improvement or project.

Often times a public hearing or an informational meeting will be held to give you a chance to participate in the process of determining the location and design of the highway. (The time and place of these hearings or opportunities for hearings will be advertised in the local newspaper.)

A State agent will contact you to discuss and learn the nature and interest of those persons

involved with the property. It is unlikely at this time that the agent will have complete knowledge of the final State proposal as construction plans are still being developed.

The State will then send a qualified valuation professional to estimate the market value of the State's proposed land acquisition. The valuation professional will contact you at that time giving you the opportunity to accompany him/her during the inspection of your property. The valuation is normally based on studies of recent similar sales of property in your area.

In some instances, if the State determines there are minimal damages to the property, a short form appraisal or minimum damage acquisition will be prepared.

The State will present the owner a copy of the valuation report at the time of the offer.

Please note: you may be contacted again by authorized personnel to obtain other necessary information prior to the time an offer for purchasing can begin.

SECTION I

Minnesota law allows MnDOT to acquire land through the following methods:

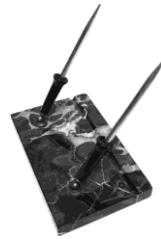
- **Direct Purchase**
- **Eminent Domain**
- **Gift/Donation**

Acquisition of Land or Rights by Direct Purchase:

Efforts will be made first to acquire your property through the direct purchase procedure. Direct purchase means a State representative will contact you in an attempt to purchase the property based on the estimated market value provided from the valuation. You will then be given a written statement that includes the amount being offered for the property rights. In instances where only a part of the property is to be acquired, the statement will separate the amount of money to be paid for property and the amount (if any) for damages to the remainder of the property. The State will provide you with a copy of the valuation report. If the acquisition leaves you with an uneconomic remnant, the State will offer to purchase that remnant.

If you accept the offer, you will sign an "Offer to Sell and Memorandum of Conditions" which gives the State permission to buy your property.

The State does not always need to purchase the land in fee but will need to purchase certain “rights” from the property. These rights may include drainage easements, extinguishment of access, temporary easements, etc. Depending on the situation, you will sign a conveyance document that grants the necessary right to the State.



The State will, at its own expense, furnish all documents necessary to complete the sale or purchase of rights, make the necessary examination of title, and to record the documents of conveyance. All documents are subject to, and are conditional upon, written acceptance by the State or other acquiring authorities.

After the legal documents have been recorded, payment will be processed. If there is a mortgage and all or a major portion of the property is being acquired, a separate check payable to the mortgage holder will be drawn for the remaining balance of the mortgage including interest to the date of payment. The check for your equity will be mailed directly to you. If only a part of your property is to be acquired, the State will ask for a partial release of mortgage. In this instance, the mortgage holder will also be named on the check. It is strongly recommended that you contact your mortgage holder to determine distribution of the funds prior to the signing of legal documents.

By agreement, you may retain and remove any or all improvements located on your property, but removal of such improvements must be made at your own expense. The salvage value of the improvements retained by you will be deducted from the amount of the offer.

The State will reimburse you for certain incidental expenses incurred in transferring title to the State and a State agent will assist you in filing a claim.

Examples of the types of reimbursements are as follows:

A. Service fees charged by the mortgage holder for release of mortgage
B. Prepayment penalty of mortgage
C. Abstract costs
D. Certain approved Court costs

You are also eligible for reimbursement of any reasonable appraisal costs performed by a licensed appraiser, up to a maximum of $3,000 for single family and two-family residential property and minimum damage acquisitions, and up to a maximum of $10,000 for other types of property. The owner must submit to the acquiring authority the information necessary for reimbursement, including a copy of the owner's appraisal.

If any of your property is being acquired, it will be necessary that all current and delinquent real estate taxes, as well as all special assessments, be paid in full. The State agent will advise you on the payment of taxes due.

Unless some unusual circumstance exists, you will be able to remain on the property the state is acquiring for a period of 90 days from the date of acceptance. This period will be increased to 120 days if the construction timetable permits such an extension. The property may be occupied at no charge during this period. However, if you request to stay longer than the 120 days, and the State agrees, you must sign a lease and pay fair market value determined by the State.

In addition to receiving the fair market value for the land or rights taken, you may be entitled to certain relocation benefits. A relocation or purchasing agent will provide you with the necessary information and a relocation booklet that explains the program.

Minimum Compensation:

Pursuant to Minnesota Statutes 117.187, when a person or entity that holds fee title "must relocate, the amount of damages payable at a minimum, must be sufficient for an owner to purchase a comparable property in the community and not less than the condemning authorities payment or deposit under section 117.042."

This dollar amount may be more than the State's certified appraised value of your property. If this is the case you will be advised of the amount separately in the State offer letter to you as the owner.

Please refer to Section III Relocation Payments on page 12, and/or MnDOT's relocation booklet: *"Relocation Assistance: Your Rights and Benefits."*

You are not required to give up possession of your property until:

1. You have been paid the agreed purchase price, or
2. You have been paid an award of commissioners, or
3. An amount at least equal to the State's approved appraisal of the value of your property is deposited with the court for your benefit, or

4. The award resulting from a condemnation proceeding is deposited with the court.

SECTION II

Land Acquisition By Eminent Domain:

Eminent domain is a legal process used for acquiring property for public purposes. Eminent domain, also known as condemnation, is used when the price of the property cannot be agreed upon by the seller and buyer or when title to the property is defective. The State must start the process early to assure the property will be acquired and vacated in time to meet construction contract requirements. After an offer has been made, you will be given at least 30 days in which to consider the offer before the eminent domain process begins.

A petition is filed with the court administrator. A hearing on the petition will be scheduled and notice of this hearing will be served on you in the same manner as any civil action to fulfill the requirement of State law, including service by the Sheriff's Office.

The notice of the hearing on the petition will inform you of the hearing date, time, place and the date the State intends to take possession of the land, commonly called the Title and Possession Date.

The hearing on the petition is usually held in the courthouse of the county in which the property is located or by remote hearing. An attorney will represent the State and will present the petition to the court. A State representative also will be available to answer questions regarding engineering details, design aspects of the project and construction matters. The court will appoint three qualified and impartial persons to act as commissioners. The commissioners will view each piece of property, hold valuation hearings and determine the damages that the property will, in their opinion, sustain as a result of the acquisition.

After the three court- appointed commissioners have taken their oath of office, they will arrange for viewings and hearings with you and other affected property owners. You will be notified of the date and time when a viewing or valuation hearing will be held.

It is the general policy of the State to have an attorney from the Office of the Attorney General and an engineer present at the viewings and hearings. Their function is to assist the commissioners and property owners by answering technical questions of a legal or engineering nature.

The chairperson of the commission, who presides over the hearings, will likely invite you to express your opinion as to the amount of damages you feel your property has sustained and to furnish such evidence for purposes of assisting the commissioners in determining an award of damages. You may represent yourself at these hearings, or you may choose to be represented by an attorney. Whether or not you hire an attorney is your decision.

You may wish to retain a licensed real estate appraiser to provide you with an appraisal of the market value of your property.

The commissioners may award reasonable appraisal fees not to exceed a total of $3,000 for residential property and $10,000 for other types of property unless the appraisal fee was previously reimbursed. An appraisal must not be used or considered in condemnation commissioners hearing, nor may the appraiser who prepared the appraisal testify, unless a copy of the appraiser's written report is provided to the opposing party at least five days before the hearings, unless the court set a different time frame.

If a business or trade is destroyed by a taking, the owner may be compensated for loss of going concern. The owner must notify the State of the owner's intent to claim compensation for loss of going concern within 60 days of the first hearing before the court. Documentation related to a loss of going concern claim may not be used or considered in a condemnation commissioners' hearing unless the documentation is provided to the opposing party at least 14 days before the hearing.

When Can Construction Start:

The State may begin to use the property when it obtains title and possession of it. Title and possession passes when you are paid for the property or at a later date specified in the purchase agreement.

If your property is acquired through eminent domain, title and possession will pass approximately 35 days after the hearing on the petition. This is commonly referred to as the "Quick-Take" Law of the State of Minnesota. Interest is paid on the amount of the award that exceeds the Quick-Take payment. Prior to taking title and possession, the State will pay to the owner, or deposit with the court, an amount equal to the State's approved appraisal of value.

You may also grant permission to the State for it to enter your property and begin construction prior to title and possession passing. You could do this by signing a Right of Access or a Permit to Construct.

Appealing the Commissioner's Award:

It is important to note that if you are dissatisfied with the commissioners' award, you have the right to appeal to the District Court. The State also has the right to appeal the award.

Any appeal must be made within 40 days from the date the commissioners file their award to the Court Administrator. A notice of such appeal must be mailed to all parties of record having an interest in property described in the appeal. Within 10 days of such mailing any other party may appeal. The 40 days are counted from the date of the filing of the commissioner's award with the Court Administrator, not from the date you received the notice of the award from the State.

If the State appeals the award, you will be notified by letter from the Office of the Attorney General. The law states that unless proper appeal is taken by either party within 40 days, neither party can amend or adjust the amount, terms or conditions of the award. If no appeal is taken, payment will be made following the expiration of the 40-day appeal period. If only one party appeals the commissioners' award, the appealing party may later dismiss the appeal and the award, plus interest, will be paid.

Just Compensation by a Jury:

If you or the State, or both, appeal to the District Court, the compensation to which you are entitled becomes a question to be decided in a trial by jury. Simply because an appeal is taken by either party does not necessarily mean the matter will go to court.

The State will make a diligent effort to settle the case prior to trial.

However, as noted earlier, the law states the State cannot amend or adjust the amount of the commissioners' award unless proper appeal is taken by either party within the time allowed.

If the appeal is settled out of court, you can expect final payment by the State within 45 days of receipt of a properly signed stipulation and settlement. If the appeal goes to trial in District Court, final payment will be made within 45 days after a final judgment, unless the jury verdict is appealed to a higher court, in which case final payment will await the disposition of that appeal.

SECTION III

Relocation Payments:

In accordance with the Federal Uniform Relocation Act and subsequent legislation, you may be entitled to relocation assistance for such things as replacement housing, closing costs, moving costs, and business reestablishment costs. An agent of the State will review your eligibility for relocation benefits.

MnDOT's relocation program is more fully explained in its booklet: *"Relocation Assistance: Your Rights and Benefits."* It describes the program and various benefits and payments available to assist displaced persons. Please request your copy of the booklet from MnDOT if you have not received one.

SECTION IV

Additional Information:

Taxpayer Identification Numbers

The Internal Revenue Service (IRS) requires the property owner furnish the State with a Taxpayer Identification Number before payment can be made. An approved form (IRS W-9) will be provided by the State and the Real Estate Representative will request you sign a W-9, so the State can make payment.

Minnesota Well Disclosure

State law requires that sellers of real estate inform prospective buyers of any wells located on the property, even if those wells are not in use. If any wells are present, the seller completes a formal Well Disclosure Certificate provided by the State.

SUMMARY AND CONCLUSION

The information in this *Guide for Property Owners* is brief and general. If you desire additional information, please request assistance from the State.

All agents of the State are committed to providing better and safer highways for public use. We realize our obligation to all property owners to be respectful of your rights while carrying out the duties of highway construction. We are ready to assist you in any way that we can during this process.

If at any time you have questions, you are invited to seek the services of the State or visit the Web site at:

www.dot.state.mn.us/landmanagement

Please contact the Minnesota Department of Transportation at the following phone numbers:

District 1 - Duluth	218-725-2700
District 2 - Bemidji	218-755-6500
District 3 - Brainerd	218-828-5700
District 4 - Detroit Lakes	218-846-3600
District 6 - Rochester	507-286-7500
District 7 - Mankato	507-304-6100
District 8 - Willmar	320-231-5195
Metro District - Roseville	651-234-7500

The address for the Director of the Office of Land Management, Minnesota Department of Transportation is:

Transportation Bldg., MS 630
395 John Ireland Blvd.
St. Paul, MN 55155
General Information No. 651-366-5000

The address for the Office of the Attorney General, Transportation Division is:

445 Minnesota Street, Suite 600
St. Paul, MN 55101-2134

When writing the department for assistance, please be sure to mention:

1. The "S.P." number (state project number): Example: *S.P. 1810-92*
2. The parcel number assigned to your property: Example: *Parcel 201; Parcel 3A; Parcel 14BB; Parcel 10; etc.*
3. Title of the condemnation action that affects your property: Example: *"State vs. John Jones, et al"*
4. The name of the state's attorney and/or department engineer who dealt with you regarding your property.

Prepared by:
Minnesota Department of Transportation
Office of Land Management
April 2026

Guidegraphic.doc

Non-Discrimination Notice

Federal and state law prohibit discrimination on the basis of race, color, national origin, sex, age, disability, low-income status, creed, religion, marital status, sexual orientation, gender identity, and status with regard to public assistance. MnDOT is committed to ensuring that no person is subjected to discrimination on the basis of these protected classes under any and all programs, services, or activities administered by the department. Additionally, MnDOT is committed to ensuring that its programs incorporate access for people with limited English proficiency. Please contact MnDOT Office of Civil Rights at 651-366-3073 with questions or assistance related to this policy.

Limited English Proficiency Notice

To request this document in another language, please send e-mail and attach document to languageservices.dot@state.mn.us.

Para pedir este documento en otro idioma, envíe un correo electrónico y adjunte el documento a languageservices.dot@state.mn.us.

Yog xav kom muab daim ntawv no sau ua lwm hom lwm, thov sau ntawv nrog daim ntawv tuaj rau ntawm languageservices.dot@state.mn.us.

Si aad u codsato dukumeentigan oo ku qoran luqad kale, fadlan e-mail u soo dir oo ku soo lifaaq dukumiintiga languageservices.dot@state.mn.us.

Office of Land Management
395 John Ireland Blvd.
St. Paul, MN 55155-1899