

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 104

(SENATE AUTHORS: OSMEK)

DATE	D-PG	OFFICIAL STATUS
01/12/2017	114	Introduction and first reading
		Referred to Agriculture, Rural Development, and Housing Policy
03/07/2017	1126a	Comm report: To pass as amended and re-refer to Taxes

- 1.1 A bill for an act
- 1.2 relating to agriculture; modifying provisions for allowed commercial and industrial
- 1.3 operations on agricultural preserves; providing for early termination of an
- 1.4 agricultural preserve under certain conditions; amending Minnesota Statutes 2016,
- 1.5 sections 40A.18, subdivision 2; 473H.09; 473H.17, subdivision 1a.
- 1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.7 Section 1. Minnesota Statutes 2016, section 40A.18, subdivision 2, is amended to read:
- 1.8 Subd. 2. **Allowed commercial and industrial operations.** (a) Commercial and industrial
- 1.9 operations are not allowed on land within an agricultural preserve except:
- 1.10 (1) small on-farm commercial or industrial operations normally associated with and
- 1.11 important to farming in the agricultural preserve area;
- 1.12 (2) storage use of existing farm buildings that does not disrupt the integrity of the
- 1.13 agricultural preserve; ~~and~~
- 1.14 (3) small commercial use of existing farm buildings for trades not disruptive to the
- 1.15 integrity of the agricultural preserve such as a carpentry shop, small scale mechanics shop,
- 1.16 and similar activities that a farm operator might conduct; and
- 1.17 (4) wireless communication installments and related equipment and structure capable
- 1.18 of providing technology potentially beneficial to farming activities.
- 1.19 (b) For purposes of paragraph (a), clauses (2) and (3), "existing" in clauses (2) and (3)
- 1.20 means existing on August 1, 1989.
- 1.21 **EFFECTIVE DATE.** This section is effective the day following enactment.

2.1 Sec. 2. Minnesota Statutes 2016, section 473H.09, is amended to read:

2.2 **473H.09 EARLY TERMINATION.**

2.3 Subdivision 1. **Public emergency.** Termination of an agricultural preserve earlier than
 2.4 a date derived through application of section 473H.08 may be permitted ~~only~~ in the event
 2.5 of a public emergency upon petition from the owner or authority to the governor. The
 2.6 determination of a public emergency shall be by the governor through executive order
 2.7 pursuant to sections 4.035 and 12.01 to 12.46. The executive order shall identify the preserve,
 2.8 the reasons requiring the action and the date of termination.

2.9 Subd. 2. **Death of owner.** (a) Within 365 days of the death of an owner, an owner's
 2.10 spouse, or other qualifying person, the surviving owner may elect to terminate the agricultural
 2.11 preserve and the covenant allowing the land to be enrolled as an agricultural preserve by
 2.12 notifying the authority on a form provided by the commissioner of agriculture. Termination
 2.13 of a covenant under this subdivision must be executed and acknowledged in the manner
 2.14 required by law to execute and acknowledge a deed.

2.15 (b) For purposes of this subdivision, the following definitions apply:

2.16 (1) "qualifying person" includes a partner, shareholder, trustee for a trust that the decedent
 2.17 was the settlor or a beneficiary of, or member of an entity permitted to own agricultural
 2.18 land and engage in farming under section 500.24 that owned the agricultural preserve; and

2.19 (2) "surviving owner" includes the executor of the estate of the decedent, trustee for a
 2.20 trust that the decedent was the settlor or a beneficiary of, or an entity permitted to own farm
 2.21 land under section 500.24 of which the decedent was a partner, shareholder, or member.

2.22 (c) When an agricultural preserve is terminated under this subdivision, the property is
 2.23 subject to additional taxes in an amount equal to 50 percent of the taxes actually levied
 2.24 against the property for the current taxes payable year. The additional taxes are extended
 2.25 against the property on the tax list for taxes payable in the current year. The additional taxes
 2.26 must be distributed among the jurisdictions levying taxes on the property in proportion to
 2.27 the current year's taxes.

2.28 **EFFECTIVE DATE.** This section is effective July 1, 2017.

2.29 Sec. 3. Minnesota Statutes 2016, section 473H.17, subdivision 1a, is amended to read:

2.30 Subd. 1a. **Allowed commercial and industrial operations.** (a) Commercial and industrial
 2.31 operations are not allowed on land within an agricultural preserve except:

3.1 (1) small on-farm commercial or industrial operations normally associated with and
3.2 important to farming in the agricultural preserve area;

3.3 (2) storage use of existing farm buildings that does not disrupt the integrity of the
3.4 agricultural preserve; ~~and~~

3.5 (3) small commercial use of existing farm buildings for trades not disruptive to the
3.6 integrity of the agricultural preserve such as a carpentry shop, small scale mechanics shop,
3.7 and similar activities that a farm operator might conduct; and

3.8 (4) wireless communication installments and related equipment and structure capable
3.9 of providing technology potentially beneficial to farming activities.

3.10 (b) For purposes of paragraph (a), clauses (2) and (3), "existing" in paragraph (a), clauses
3.11 (2) and (3), means existing on August 1, 1987.

3.12 **EFFECTIVE DATE.** This section is effective the day following enactment.