

that the loan is secured by mortgage, pledge, or other collateral. If the charge so computed shall be less than \$5, the amount so charged may nevertheless be \$5. Any charge authorized by this section may be included in the principal amount of the note or other instrument evidencing said loan and the aggregate amount thereof be payable in installments. The authority granted by this section shall not extend to either the purchase of or investment in installment sales contracts secured by or constituting first liens upon mobile homes nor to loans which finance the acquisition of inventory by a mobile home dealer. The provisions of Minnesota Statutes, Sections 48.154, 48.155, 48.156, and 48.157, shall apply to all mobile home loans made pursuant to the authority granted by this section.

Sec. 3. Minnesota Statutes 1971, Chapter 50, is amended by adding a section to read:

[50.157] LIMITED TRUSTEESHIP. A savings bank shall have the power to act as trustee or custodian within the contemplation of the federal self-employed individuals tax retirement act of 1962, as amended. The trustee or custodian may accept such trust funds provided such funds are invested only in savings accounts or deposits in such bank or in obligations or securities issued by such bank. All funds held in such fiduciary capacity may be commingled for appropriate purposes of investment, but individual records shall be maintained by the fiduciary for each participant and shall show in proper detail all transactions engaged in under authority of this section.

Approved May 19, 1973.

CHAPTER 427—S.F.No.753

[Coded]

An act relating to agricultural lands; regulating the ownership of such lands by certain corporations; providing penalties; repealing Minnesota Statutes 1971, Sections 500.22, Subdivisions 3, 4 and 5; and 500.23.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **[500.24] AGRICULTURE; CORPORATE FARMING.** Subdivision 1. **DEFINITIONS.** For the purposes of this section, the terms defined in this subdivision have the meanings here given them:

Changes or additions indicated by underline, deletions by ~~strikeout~~.

(a) "Farming" means the cultivation of land for the production of (1) agricultural crops; (2) livestock or livestock products; (3) poultry or poultry products; (4) milk or dairy products; or (5) fruit or other horticultural products. It shall not include the production of timber or forest products; nor shall it include a contract whereby a processor or distributor of farm products or supplies provides spraying, harvesting or other farm services.

(b) "Family farm" means an unincorporated farming unit owned by one or more persons residing on the farm or actively engaging in farming.

(c) "Family farm corporation" means a corporation founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are members of a family related to each other within the third degree of kindred according to the rules of the civil law, and at least one of whose stockholders is a person residing on or actively operating the farm, and none of whose stockholders are corporations; provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any devise or bequest of shares of voting stock.

(d) "Authorized farm corporation" means a corporation meeting the following standards:

- (1) Its shareholders do not exceed ten in number;
- (2) All its shareholders, other than any estate are natural persons;
- (3) It does not have more than one class of shares; and
- (4) Its revenues from rent, royalties, dividends, interest and annuities does not exceed 20 percent of its gross receipts.

(e) "Agricultural land" means land used for farming.

Subd. 2. FARMING AND OWNERSHIP OF AGRICULTURAL LAND BY CORPORATIONS RESTRICTED. After the effective date of this act, no corporation shall engage in farming; nor shall any corporation, directly or indirectly, own, acquire, or otherwise obtain an interest, whether legal, beneficial or otherwise, in any title to real estate used for farming or capable of being used for farming in this state. Provided, however, that the restrictions provided in this subdivision shall not apply to the following:

- (a) A bona fide encumbrance taken for purposes of security;
- (b) A family farm corporation or an authorized farm corporation as defined in subdivision 1;

Changes or additions indicated by underline, deletions by ~~strikeout~~.

(c) Agricultural land and land capable of being used for farming owned by a corporation as of the effective date of this act including the normal expansion of such ownership at a rate not to exceed 20 percent, measured in acres, in any five year period, and including additional ownership reasonably necessary to meet the requirements of pollution control regulations;

(d) A farm operated for research or experimental purposes, provided that any commercial sales from such farm shall be incidental to the research or experimental objectives of the corporation;

(e) Agricultural land operated by a corporation for the purpose of raising breeding stock for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod;

(f) Agricultural land and land capable of being used for farming leased by a corporation in an amount, measured in acres, not to exceed the acreage under lease to such corporation as of the effective date of this act and the additional acreage required for normal expansion at a rate not to exceed 20 percent in any five year period, and the additional acreage reasonably necessary to meet the requirements of pollution control regulations;

(g) Future interests, including but not limited to remainder interests following life estates, when acquired as a gift (either by grant or a devise) by an educational, religious or charitable non-profit corporation;

(h) Agricultural land acquired by a corporation other than a family farm corporation or authorized farm corporation, as defined in subdivision 1, for immediate or potential use in nonfarming purposes. A corporation may hold such agricultural land in such acreage as may be necessary to its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, such land may not be used for farming except under lease to a family farm unit, a family farm corporation or an authorized farm corporation, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation which has entered into an agreement with the United States of America pursuant to the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, 42 U.S.C. 3901 - 3914) as amended, or a subsidiary or assign of such a corporation; or

(i) Agricultural lands acquired by a corporation by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise; provided, however, that all lands so acquired be disposed of within ten years after acquiring the title thereto, and

Changes or additions indicated by underline, deletions by ~~strikeout~~.

further provided that the land so acquired shall not be used for farming during the ten year period except under a lease to a family farm unit, a family farm corporation or an authorized farm corporation. The aforementioned ten year limitation period shall be deemed a covenant running with the title to the land against any corporate grantee or assignee or the successor of such corporation.

Subd. 3. **REPORTS.** (a) Every corporation engaged in farming or proposing to commence farming in this state after the effective date of this act shall file with the commissioner of agriculture a report containing the following information:

- (1) The name of the corporation and its place of incorporation;
- (2) The address of the registered office of the corporation in this state, the name and address of its registered agent in this state and, in the case of a foreign corporation, the address of its principal office in its place of incorporation; .
- (3) The acreage and location listed by section, township and county of each lot or parcel of land in this state owned or leased by the corporation and used for the growing of crops or the keeping or feeding of poultry or livestock; and
- (4) The names and addresses of the officers and the members of the board of directors of the corporation.

The report of a corporation seeking to qualify hereunder as a family farm corporation or an authorized farm corporation shall contain the following additional information: The number of shares owned by persons residing on the farm or actively engaged in farming, or their relatives within the third degree of kindred according to the rules of the civil law; the name, address and number of shares owned by each shareholder; and a statement as to percentage of gross receipts of the corporation derived from rent, royalties, dividends, interest and annuities. No corporation shall commence farming in this state until the commissioner of agriculture has inspected the report and certified that its proposed operations comply with the provisions of this section.

(b) Every corporation engaged in farming in this state shall, prior to April 15 of each year, file with the commissioner of agriculture a report containing the information required in clause (a), based on its operations in the preceding calendar year and its status at the end of such year.

(c) Failure to file a required report, or the willful filing of false information, shall constitute a gross misdemeanor.

Changes or additions indicated by underline, deletions by ~~strikeout~~.

Subd. 4. **ENFORCEMENT.** If the attorney general has reason to believe that a corporation is violating this section, he shall commence an action in the district court in which any agricultural lands relative to such violation are situated, or if situated in two or more counties, in any county in which a substantial part of the lands are situated. The attorney general shall file for record with the register of deeds or the registrar of titles of each county in which any portion of said lands are located a notice of the pendency of the action as provided in Minnesota Statutes, Section 557.02. If the court finds that the lands in question are being held in violation of this act, it shall enter an order so declaring. The attorney general shall file for record any such order with the register of deeds or the registrar of titles of each county in which any portion of said lands are located. Thereafter, the corporation owning such land shall have a period of five years from the date of such order to divest itself of such lands. The aforementioned five year limitation period shall be deemed a covenant running with the title to the land against any corporate grantee or assignee or the successor of such corporation. Any lands not so divested within the time prescribed shall be sold at public sale in the manner prescribed by law for the foreclosure of a mortgage by action.

Sec. 2. **REPEAL.** Minnesota Statutes 1971, Sections 500.22, Subdivisions 3, 4 and 5; and 500.23 are repealed.

Sec. 3. **EFFECTIVE DATE.** This act shall become effective the day following its enactment.

Approved May 19, 1973.

CHAPTER 428—S.F.No.906

[Coded]

An act relating to disabled persons, enacting the uniform duties to disabled persons act; providing a penalty.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. [145.851] **UNIFORM DUTIES TO DISABLED PERSONS ACT; DEFINITIONS.** In this act:

(a) "disabled condition" means the condition of being unconscious, semiconscious, incoherent, or otherwise incapacitated to communicate;

Changes or additions indicated by underline, deletions by ~~strikeout~~.