

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

**Section 1. [192.381] ADJUTANT GENERAL TO FURNISH AN AMERICAN FLAG.**

Upon the death of any person who has honorably served six or more years in the Minnesota national guard and upon request of the person designated to direct disposition of the remains, the adjutant general shall furnish an American flag if a flag is not furnished by the United States government.

Approved June 1, 1981

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**CHAPTER 337 — H.F.No. 697**

*An act relating to agriculture; regulating alien use of agricultural land; providing penalties; amending Minnesota Statutes 1980, Section 500.221.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1980, Section 500.221, is amended to read:

**500.221 RESTRICTIONS ON ACQUISITION OF TITLE.**

Subdivision 1. **DEFINITIONS.** For purposes of this section, "agricultural land" means land capable of use in the production of agricultural crops, livestock or livestock products, poultry or poultry products, milk or dairy products, or fruit and other horticultural products but does not include any land zoned by a local governmental unit for a use other than and nonconforming with agricultural use. For the purposes of this section, "interest in agricultural land" includes any leasehold interest. For the purposes of this section, a "permanent resident alien of the United States" is a natural person who has been lawfully admitted to the United States for permanent residence and in fact maintains his principal, actual dwelling place within the United States for at least six months out of every consecutive 12 month period without regard to intent. For the purposes of this section, "commissioner" means the commissioner of agriculture.

Subd. 1a. **DETERMINATION OF ALIEN STATUS.** An alien who has been physically absent from the United States for more than six months out of any 12 month period shall be presumed not to be a permanent resident alien. Every permanent resident alien of the United States who owns property subject to this section shall annually, at some time during the month of January, file with the commissioner a statement setting forth the dates and places of that

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person's residence in the United States during the prior calendar year. The statement shall include an explanation of absences totaling more than six months during the prior calendar year and any facts which support the continuation of permanent resident alien status. Upon receipt of the statement, the commissioner shall have 30 days to review the statement and notify the resident alien whether the facts support continuation of the permanent resident alien status.

Subd. 2. **ALIENS AND NON-AMERICAN CORPORATIONS.** Except as hereinafter provided, no natural person shall ~~hereafter~~ acquire directly or indirectly any interest in agricultural land unless ~~he be~~ the person is a citizen of the United States or a permanent resident alien of the United States ~~and~~. In addition to the restrictions in section 500.24, no corporation, partnership, limited partnership, trustee, or other business entity shall ~~hereafter~~, directly or indirectly, acquire or otherwise obtain any interest, whether legal, beneficial or otherwise, in any title to agricultural land unless at least 80 percent of each class of stock issued and outstanding or 80 percent of the ultimate beneficial interest of ~~such~~ the entity is held directly or indirectly by citizens of the United States or permanent resident aliens. This section shall not apply:

(1) to agricultural land that may be acquired by devise, inheritance, as security for indebtedness, 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, that~~. All agricultural land so acquired in the collection of debts or by the enforcement of a lien or claim shall be disposed of within three years after acquiring ownership. ~~Further, the provisions of this section shall not apply;~~

(2) to citizens or subjects of a foreign country whose rights to hold land are secured by treaty ~~or~~;

(3) to lands used for transportation purposes by a common carrier, as defined in section 218.011, subdivision 2; ~~or~~;

(4) to lands or interests in lands acquired for use in connection with mining and mineral processing operations ~~provided, however, that~~. Pending the development of agricultural land for mining purposes ~~such~~ the land may not be used for farming except under lease to a family farm, a family farm corporation or an authorized farm corporation. ~~Further, the provisions of this section shall not apply; and~~

(5) to agricultural land operated for research or experimental purposes; ~~provided that~~ if the ownership of the agricultural land ~~shall be~~ is incidental to the research or experimental objectives of the person or business entity, and ~~provided that~~ the total acreage owned by the person or business entity does not exceed the acreage owned on May 27, 1977.

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**Subd. 2a. LOSS OF EXEMPT STATUS.** If any person or business entity acquires an interest in agricultural land as permitted by subdivision 2 and thereafter ceases to be a person or entity qualified to acquire an interest in agricultural land as permitted by subdivision 2 by reason of the loss of citizenship or permanent residence status or the loss of citizenship or permanent residence status of its shareholders or the holders of ultimate beneficial interests, the person or entity shall:

(a) Notify the commissioner within 30 days of the loss of qualification and file a report with the commissioner of agriculture giving a description of all agricultural land owned by the person or entity within the state, the date upon which the land was acquired, the date upon which the person or entity ceased to be qualified, and other information reasonably required by the commissioner;

(b) Divest itself of any agricultural land acquired after May 27, 1981 within one year of the date upon which the person or entity ceased to be qualified;

(c) Report the divestiture to the commissioner of agriculture within 90 days after it occurs;

(d) Make other reports as the commissioner may reasonably require;  
and

(e) Continue to file periodic reports as required by subdivision 4 with respect to any land acquired on or before May 27, 1977.

**Subd. 2b. INVESTIGATION BY COMMISSIONER.** The commissioner, upon the request of any person or upon receipt of any information which leads him to believe that a violation of this section may exist, may issue subpoenas requiring the appearance of witnesses, the production of relevant records and the giving of relevant testimony. If, as a result of his investigation, the commissioner concludes that a violation of this section may have occurred, he shall provide the landowner or his designee with the opportunity to meet with the commissioner or his designee in the county where the land is located to exchange information relating to the compliance with this section and any necessity for divestiture. The commissioner shall have the power to issue additional subpoenas for the meeting. The landowner and any person subpoenaed by the commissioner may be represented by counsel. Notwithstanding the provisions of chapter 15, the preliminary investigation and the meeting do not constitute a contested case hearing.

**Subd. 3. ENFORCEMENT.** If, after investigation, the attorney general commissioner has reason to believe that any person is violating subdivision 2 this section, he shall commence an action in the district court in which any agricultural land relative to the violation is situated, or if situated in two or more counties, in any county in which a substantial part of the land is situated.

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The attorney general commissioner shall file for record with the county recorder or the registrar of titles of each county in which any portion of said the land is located a notice of the pendency of the action as provided in section 557.02. If the court finds that the land in question is being held in violation of subdivision 2, it shall enter an order so declaring. The attorney general commissioner shall file for record any ~~such~~ order with the county recorder or the registrar of titles of each county in which any portion of said the land is located. Thereafter, the natural person, corporation, partnership, limited partnership, trustee or other business entity, owning such land shall have a period of one year from the date of the order to divest itself of the lands. The aforementioned one year limitation period shall be deemed a covenant running with the title to the land against any grantee or assignee or successor corporation or any noncorporation entity acting as agent, assignee, or successor on behalf of a corporation. Any land 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. ~~In addition, any prospective or threatened violation may be enjoined by an action brought by the attorney general in the manner provided by law.~~ No title to land shall be invalid or subject to forfeiture by reason of the alienage of any former owner or person having a former interest therein.

Subd. 3a. INJUNCTION. The commissioner may seek injunctive relief whenever a violation of this section is threatened.

Subd. 3b. AGREEMENT. The commissioner is authorized to enter into a written agreement in settlement of any alleged violation, whether or not a hearing is held on the violation. An agreement may provide for an extension of the time period for divestiture but shall not include a waiver of a divestiture required by this section. The agreement shall be construed as a "No Contest" pleading and may include any sanctions, penalties, or affirmative actions which are mutually satisfactory and are consistent with this section. The agreement shall be final and conclusive with respect to the action, except upon a showing of fraud, malfeasance, or misrepresentation of a material fact. The matter agreed upon shall not be reopened or modified by an officer, employee, or agent of the state. The agreement shall be filed in Ramsey county district court and shall be enforceable by it or the district court of the county in which the person resides or principally does business. Any violator of an agreement may, after notice is given to the alleged violator and a hearing is held, be punished by the district court as for contempt, in addition to other remedies in this section.

Subd. 4. REPORTS. Any natural person, corporation, partnership, limited partnership, trustee, or other business entity prohibited from future acquisition of agricultural land may retain title to any agricultural land lawfully acquired within this state acquired prior to May 27, 1977 June 1, 1981, but it shall file a report with the commissioner of agriculture within 90 days after May

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27, 1977 and annually before April 15 thereafter, January 31 containing a description of all agricultural land held within this state, the purchase price and market value of the land, the use to which it is put, the date of acquisition and any other reasonable information required by the commissioner. The commissioner shall make the information available to the public. All required annual reports shall include a filing fee of \$35.

Subd. 5. **PENALTY.** Willful failure to properly register any parcel of land as required by subdivision 4 is a gross misdemeanor. Each full month of failure to register is a separate offense.

Approved June 1, 1981

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### CHAPTER 338 — H.F.No. 769

*An act relating to transportation; appropriating money for acquisition, betterment, and maintenance of the state rail bank; authorizing the issuance of state transportation bonds; amending Minnesota Statutes 1980, Sections 174.50, by adding a subdivision; 222.49; 222.50, Subdivision 7; and 222.63, Subdivisions 1, 2, 4, and by adding a subdivision; and Laws 1980, Chapter 610.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1980, Section 174.50, is amended by adding a subdivision to read:

Subd. 1a. An additional need of the state transportation system is the acquisition and betterment of rail lines and right-of-way for preservation in the state rail bank as provided in section 222.63.

Sec. 2. Minnesota Statutes 1980, Section 222.49, is amended to read:

#### 222.49 RAIL SERVICE IMPROVEMENT ACCOUNT.

The rail service improvement account is created in the special revenue fund in the state treasury. The commissioner shall deposit in this account all money appropriated to or received by the department for the purpose of rail service improvement, including federal money, in this account but excluding proceeds of state bonds or other funds appropriated to the commissioner from the state transportation fund for the acquisition or betterment of property pertaining to the state rail bank established by section 222.63, and excluding income of the state rail bank and any other funds appropriated for its maintenance or improvement. All money so deposited is appropriated to the department for expenditure for rail service improvement in accordance with applicable state and federal law. This appropriation shall not lapse but shall be

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