

491.04 CONCILIATION COURTS

but if the amount involved in controversy be \$500 or less, or if the judge is of the opinion that the counter-claim, if any, therein in excess of \$500 is not in good faith, he shall retain jurisdiction and proceed summarily to hear and determine the cause and to enter judgment on his docket. The conclusion of the judge as to the good faith of any counter-claim shall be final and conclusive on all parties for the purposes of the jurisdiction of the court. In case such judgment is not removed, by demand of either party, to the municipal court within ten days after the entry thereof, as provided in this chapter, and the judgment remains unsatisfied, the judgment, on order of the judge shall be docketed in the municipal court by the clerk and shall thereupon be, and be enforced as, the judgment of the municipal court, or the judge may retain jurisdiction for the collection and satisfaction of the judgment by payment to him, but no execution shall issue from the conciliation court.

[1973 c 219 s 3]

[For text of subds. 2 and 3, see M.S.1971]

PART II

PRIVATE RIGHTS

PROPERTY INTERESTS AND LIENS

CHAPTER 500. ESTATES IN REAL PROPERTY

Sec.		CORPORATE USE OF AGRICUL- TURAL LANDS
500.13	Future estates; restrictions on creation.	
500.22	Restrictions on acquisition of title.	Sec. 500.23 Repealed. 500.24 Corporate farming [New].

500.13 Future estates; restrictions on creation

[For text of subd. 1, see M.S.1971]

**Subd. 2. Limit of suspension; exception.** The absolute power of alienation shall not be suspended, by any limitation or condition, for a longer period than during the continuance of two lives in being at the creation of the estate, except that a contingent remainder in fee may be created on a prior remainder in fee, to take effect in the event that the persons to whom the first remainder is limited die under the age of 18 years, or upon any other contingency by which the estate of such persons may be determined before they attain their full age.

[1973 c 725 s 71]

[For text of subds. 3 to 7, see M.S.1971]

500.22 Restrictions on acquisition of title

[For text of subds. 1 and 2, see M.S.1971]

- Subd. 3. [Repealed, 1973 c 427 s 2]
- Subd. 4. [Repealed, 1973 c 427 s 2]
- Subd. 5. [Repealed, 1973 c 427 s 2]

CORPORATE USE OF AGRICULTURAL LANDS

500.23 [Repealed, 1973 c 427 s 2]

500.24 Corporate farming

**Subdivision 1. Definitions.** For the purposes of this section, the terms defined in this subdivision have the meanings here given them:

(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 May 20, 1973, 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;
- (c) Agricultural land and land capable of being used for farming owned by a corporation as of May 20, 1973 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 May 20, 1973 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

## 500.24 ESTATES IN REAL PROPERTY

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 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 May 20, 1973 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.

**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 section 557.02. If the court finds that the lands in

question are being held in violation of this section, 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.

[1973 c 427 s 1]

## CHAPTER 501. USES AND TRUSTS

Sec.  
501.461 Trusts not affected [New].

### 501.461 Trusts not affected

Notwithstanding any other provisions of law to the contrary, the provisions of any trust created prior to June 1, 1973 relating to one's "minority" or "majority" or other relating terms shall be governed by the definitions of such terms existing at the time of the creation of such trust.

[1973 c 725 s 88]

## CHAPTER 504. LANDLORDS AND TENANTS

Sec.  
504.19 Repealed.  
504.20 Interest on security deposits;  
withholding security deposits;  
damages [New].

Sec.  
504.21 Restriction on automatic renew-  
als of leases [New].

### 504.19 [Repealed, 1973 c 561 s 2]

### 504.20 Interest on security deposits; withholding security deposits; damages

Subdivision 1. Any deposit of money, the function of which is to secure the performance of a residential rental agreement or any part of such an agreement, other than a deposit which is exclusively an advance payment of rent, shall be governed by the provisions of this section.

Subd. 2. Any such deposit of money shall not be considered received in a fiduciary capacity within the meaning of section 87.17, subdivision 7, but shall be held by the landlord for the tenant who is party to such agreement and shall bear simple interest at the rate of five percent per annum noncompounded, computed from the first day of the next month following the full payment of such deposit to the last day of the month of termination of the tenancy. Any interest amount less than \$1 shall be excluded from the provisions of this section.

Subd. 3. Every landlord shall, within two weeks after termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, return such deposit to the tenant, with interest thereon as above provided, or furnish to the tenant a written statement showing the specific reason for the withholding of the deposit or any portion thereof. The landlord may withhold from such deposit only such amounts as are reasonably necessary:

(a) To remedy tenant defaults in the payment of rent or of other funds due to the landlord pursuant to an agreement; or

(b) To restore the premises to their condition at the commencement of the tenancy, ordinary wear and tear excepted.

In any action concerning such deposit, the burden of proving, by a fair preponderance of the evidence, the reason for withholding all or any portion of such deposit shall be on the landlord.