

CHAPTER 41

FAMILY FARM SECURITY PROGRAM

41.56 Procedure.

41.65 Use and disposition of property.

41.56 PROCEDURE.*[For text of subds 1 to 3, see M.S.1986]*

Subd. 4. **Sale of defaulted property.** In the event that title to any property is acquired by the state, upon conveyance of title to the state and expiration of the period of redemption, the commissioner shall undertake to sell the property by publishing a notice of the impending sale at least once each week for four successive weeks in a legal newspaper and also in a newspaper of general distribution in the county in which the property to be sold is situated. The notice must describe the lots or tracts to be offered and the terms of sale. Except as further provided, the terms and method of sale shall be determined by the commissioner.

The commissioner shall first attempt to sell the property to a person who is eligible for a family farm security loan. If the commissioner is unable to effect a sale to an eligible person, the commissioner shall attempt to sell the property for cash as provided in subdivision 4a. If the commissioner is unable to effect a sale to an eligible person or for cash, or if the commissioner finds that sale to an eligible person or for cash would not best protect the interests of the state, the commissioner may sell the property on terms which the commissioner finds will best protect the interests of the state. The commissioner may lease any real property which the commissioner is unable to sell with reasonable promptness. In any event, any acquired farm property must be sold within three years after the conveyance of title to the state or after the expiration of the period of redemption. The commissioner may contract for the services of a licensed real estate agent or broker to assist in selling any property acquired under this section and may pay for the services from the proceeds of the sale before proceeds are distributed under subdivision 4b.

In lieu of selling property under this subdivision, the commissioner may utilize participation under the beginning farmer program under chapter 41B.

In selling property acquired under this section, the commissioner may not sell the property to a relative within the second degree of kindred according to common law of a person who has defaulted.

*[For text of subds 4a to 7, see M.S.1986]***History:** 1987 c 396 art 1 s 1**41.65 USE AND DISPOSITION OF PROPERTY.**

Subdivision 1. **Commissioner may sell or lease property.** The commissioner may sell or lease property acquired by the state in a manner that protects the interests of the state. Persons desiring to purchase or lease property must apply to the commissioner.

Subd. 2. **Managing and selling property.** (a) The commissioner must attempt to sell agricultural property to persons entering farming and farmers that need additional property to continue their farming operations.

(b) The commissioner must give priority to applicants desiring to purchase or lease property who:

(1) are residents of the state of Minnesota;

(2) have sufficient education, training, or experience in the type of farming for which the property is desired and agree to continued participation in a farm management program, approved by the commissioner for at least the first ten years;

(3) have, including the applicant's dependents and spouse, a total net worth valued at less than \$100,000 and have demonstrated a need for acquiring property from the commissioner;

(4) intend to purchase farm land to be used by the applicant for agricultural purposes; and

(5) are credit worthy according to standards prescribed by the commissioner.

(c) The commissioner must attempt to sell the property by a cash sale. Agricultural property may be leased with an option to purchase to accommodate a sale. The commissioner should avoid long-term leasing of property.

Subd. 3. Restricted agricultural use. (a) Acquired property that has marginal land as defined in section 40.42, subdivision 6, or wetlands must be restricted from agricultural use on the marginal land or wetlands.

(b) If the commissioner determines that all or a portion of acquired property should be taken out of agricultural use or particular agricultural uses should be restricted, the commissioner shall have the attorney general prepare an easement restricting the agricultural use and file the easement with the county recorder where the property is located.

Subd. 4. Exclusive agricultural use. The commissioner may place easements on acquired property restricting development and allowing only agricultural or conservation use.

History: 1987 c 396 art 1 s 2