

CHAPTER 473H

METROPOLITAN AGRICULTURAL PRESERVES ACT

473H.01 Citation; policy; purpose.

473H.02 Definitions.

473H.03 Eligibility.

473H.04 Certification.

473H.05 Application; covenant agreement.

473H.06 Notification.

473H.07 Commencement of preserve.

473H.08 Duration.

473H.09 Early termination.

473H.10 Ad valorem property taxes.

473H.11 Limitation on certain public projects.

473H.12 Protection for normal farm practices.

473H.14 Annexation proceedings.

473H.15 Eminent domain actions.

473H.16 Conservation.

473H.17 Land use.

473H.18 Transfer from agricultural property tax law treatment.

473H.01 CITATION; POLICY; PURPOSE.

Subdivision 1. Sections 473H.02 to 473H.17 may be cited as the "metropolitan agricultural preserves act".

Subd. 2. It is the policy of the state to encourage the use and improvement of its agricultural lands for the production of food and other agricultural products. It is the purpose of sections 473H.02 to 473H.17 to provide an orderly means by which lands in the metropolitan area designated for long term agricultural use through the local and regional planning processes will be taxed in an equitable manner reflecting the long term singular use of the property, protected from unreasonably restrictive local and state regulation of normal farm practices, protected from indiscriminate and disruptive taking of farmlands through eminent domain actions, protected from the imposition of unnecessary special assessments, and given such additional protection and benefits as are needed to maintain viable productive farm operations in the metropolitan area.

History: 1980 c 566 s 1

473H.02 DEFINITIONS.

Subdivision 1. For purposes of sections 473H.02 to 473H.17 the terms defined in this section shall have the meanings given them.

Subd. 2. "Agricultural preserve" or "preserve" means a land area created and restricted according to section 473H.05 to remain in agricultural use.

Subd. 3. "Agricultural use" means the production for sale of livestock, dairy animals, dairy products, poultry or poultry products, fur bearing animals, horticultural or nursery stock, fruit, vegetables, forage, grains, or bees and apiary products. Wetlands, pasture and woodlands accompanying land in agricultural use shall be deemed to be in agricultural use.

Subd. 4. "Authority" means the unit of government exercising planning and zoning authority for the land specified in an application as provided under section 473H.05 and pursuant to sections 394.21 to 394.37, 462.351 to 462.364, or 366.10 to 366.19. Where both a county and a township have adopted zoning regulations, the authority shall be the unit of government designated to prepare a comprehensive plan pursuant to section 473.861, subdivision 2.

Subd. 5. "Certified long term agricultural land" means land certified pursuant to section 473H.04 as eligible for designation as agricultural preserves.

Subd. 6. "Covenant agreement" means a restrictive covenant initiated by the owner and evidenced by an agreement provided for in section 473H.05 whereby the owner places the limitations on specified land and receives the protections and benefits contained in sections 473H.02 to 473H.17.

Subd. 7. "Long term agricultural land" means land in the metropolitan area designated for agricultural use in local or county comprehensive plans adopted and reviewed pursuant to sections 473.175, and 473.851 to 473.871, and which has been zoned specifically for agricultural use permitting a maximum residential density of not more than one unit per quarter/quarter.

MINNESOTA STATUTES 1988

9145

METROPOLITAN AGRICULTURAL PRESERVES ACT 473H.04

Subd. 8. "Metropolitan area" has the meaning given it in section 473.121, subdivision 2.

Subd. 9. "Owner" means a resident of the United States owning land specified in an application pursuant to section 473H.05, and includes an individual, legal guardian or family farm corporation as defined in section 500.24, having a joint or common interest in the land. Where land is subject to a contract for deed, owner means the vendor in agreement with the vendee.

Subd. 10. "Quarter/quarter" means one quarter of one quarter of any section in the rectangular land survey system.

Subd. 11. "County recorder" means registrar of titles for the purposes of registered property.

History: 1980 c 566 s 2; 1982 c 523 art 32 s 1,2

473H.03 ELIGIBILITY.

Subdivision 1. Long term agricultural land comprising 40 or more acres shall be eligible for designation as an agricultural preserve.

Subd. 2. Noncontiguous parcels may be included to achieve the minimum acreage requirement in subdivision 1, provided that each parcel is at least ten acres in size and provided that all separate parcels are farmed together as a unit.

Subd. 3. The minimum acreage requirement in subdivision 1 may be reduced to 35 acres provided the land is a single quarter/quarter parcel and the amount less than 40 acres is due to a public road right-of-way or a perturbation in the rectangular survey system resulting in a quarter/quarter of less than 40 acres.

Subd. 4. Contiguous long term agricultural land comprising not less than 20 acres and surrounded by eligible land on not less than two sides shall be eligible for designation as an agricultural preserve provided the authority by resolution determines that: (i) the land area predominantly comprises Class I, II, III, or irrigated Class IV land according to the Land Capability Classification Systems of the Soil Conservation Service and the county soil survey; (ii) the land area is considered by the authority to be an essential part of the agricultural region; and (iii) the parcel was a parcel of record prior to January 1, 1980, or the land was an agricultural preserve prior to becoming a separate parcel of at least 20 acres.

Subd. 5. Contiguous long term agricultural land meeting the total acreage requirements of this section but located in two or more authorities so that the minimum acreage requirement is not met in one or more of the authorities shall be eligible by joint resolution of the affected authorities.

History: 1980 c 566 s 3

473H.04 CERTIFICATION.

Subdivision 1. Each authority in the metropolitan area having land classified agricultural pursuant to section 273.13 shall certify by resolution using appropriate maps which lands, if any, are eligible for designation as agricultural preserves. Maps shall be in sufficient detail to identify eligible lands by property boundaries. At least two weeks before the resolution is to be adopted, the authority shall publish notice of its intended action in a newspaper having a general circulation within the area of jurisdiction of the authority. No additional lands shall qualify for designation as agricultural preserves until the authority certifies qualification.

Subd. 2. Land shall cease to be eligible for designation as an agricultural preserve when the comprehensive plan and zoning for the land have been amended so that the land is no longer planned for long term agricultural use and is no longer zoned for long term agricultural use, evidenced by a maximum residential density permitting more than one unit per 40 acres. When changes have been made, the authority shall certify by resolution and appropriate maps which lands are no longer eligible. At least two weeks before the resolution is to be adopted, the authority shall publish a notice of its intended action in a newspaper having a general circulation within the area of jurisdiction of the authority.

Subd. 3. The authority shall provide the metropolitan council with suitable maps showing any lands certified eligible pursuant to subdivision 1 or decertified pursuant to subdivision 2. The metropolitan council shall maintain maps of the metropolitan area showing all certified long term agricultural lands.

History: 1980 c 566 s 4; 1982 c 523 art 32 s 3,4

473H.05 APPLICATION; COVENANT AGREEMENT.

Subdivision 1. An owner or owners of certified long term agricultural land may apply to the authority with jurisdiction over the land on forms provided by the commissioner of agriculture for the creation of an agricultural preserve at any time. If the land to be placed in a preserve is registered property, the owner shall submit the owner's duplicate certificate of title together with the application. Land for which application is received prior to March 1 of any year shall be assessed pursuant to section 473H.10 for taxes payable in the following year. Land for which application is received on or after March 1 of any year shall be assessed pursuant to section 473H.10 in the following year. The application shall contain at least the following information and such other information as the commissioner deems necessary:

(a) Legal description of the area proposed to be designated and parcel identification numbers if so designated by the county auditor;

(b) Name and address of owner;

(c) An affidavit by the authority evidencing that the land is certified long term agricultural land at the date of application;

(d) A witnessed signature of the owner covenanting that the land shall be kept in agricultural use, and shall be used in accordance with the provisions of sections 473H.02 to 473H.17 which exist on the date of application;

(e) A statement that the restrictive covenant shall be binding on the owner or the owner's successor or assignee, and shall run with the land.

Subd. 2. The authority may require an application fee, not to exceed \$50, to defray administrative costs.

Subd. 3. **Registered property.** In the case of registered property, the applicant shall submit the owner's duplicate certificate at the time the application is made to the authority. The county recorder shall memorialize the restrictive covenant upon the certificate of title and owner's duplicate certificate of title. When the property or any portion of it ceases to be an agricultural preserve in accordance with section 473H.08 and the passage of the required time period, section 473H.09 or 473H.15, the county recorder upon presentation of the owner's duplicate certificate of title shall cause the restrictive covenant to be canceled upon the effective date of the expiration, termination or taking.

History: 1980 c 566 s 5; 1982 c 523 art 32 s 5,6; 1986 c 444

473H.06 NOTIFICATION.

Subdivision 1. Upon receipt of an application, the authority shall determine if all material required in section 473H.05 has been submitted and, if so, shall determine that the application is complete. When used in this chapter, the term "date of application" means the date the application is determined complete by the authority. Within five days of the date of application, the authority shall forward the completed and signed application to the county recorder, together with the owner's duplicate certificate of title in the case of registered property, and copies to the county auditor, the county assessor, the metropolitan council, and the county soil and water conservation district.

Subd. 2. The county recorder shall record the restrictive covenant and return it to the applicant. If the property is registered property, the recorder shall memorialize the restrictive covenant upon presentation of the owner's duplicate certificate of title. The authority shall be notified by the recorder that the covenant has been recorded or memorialized.

MINNESOTA STATUTES 1988

9147

METROPOLITAN AGRICULTURAL PRESERVES ACT 473H.08

Subd. 3. The county auditor, for taxes payable in the following year and thereafter for the duration of the preserve, shall determine tax capacity rates, assessments and taxes involving the preserve according to the provisions of section 473H.10.

Subd. 4. The county assessor, for taxes payable in the following calendar year and thereafter for the duration of the preserve, shall value and assess the agricultural preserve according to section 473H.10.

Subd. 5. The metropolitan council shall maintain agricultural preserve maps, illustrating (a) certified long term agricultural lands; and (b) lands covenanted as agricultural preserves. The council shall make yearly reports to the commissioner of trade and economic development, the department of agriculture, and such other agencies as the council deems appropriate.

Subd. 6. County auditors shall maintain records of the taxes assessed and paid on agricultural preserves in a manner prescribed by the commissioner of revenue for the orderly monitoring of the program.

Subd. 7. The county soil and water conservation district may prepare an advisory statement of existing and potential conservation problems for the agricultural preserve land. The statement shall be forwarded to the owner of record and a copy of the statement shall be forwarded to the authority.

History: 1980 c 566 s 6; 1981 c 356 s 242,248; 1982 c 523 art 32 s 7-9; 1983 c 289 s 115 subd 1; 1987 c 312 art 1 s 26 subd 2; 1988 c 719 art 5 s 84

473H.07 COMMENCEMENT OF PRESERVE.

A land area shall be deemed an agricultural preserve and subject to all the benefits and restrictions of sections 473H.02 to 473H.17 commencing 30 days from the date of application.

History: 1980 c 566 s 7

473H.08 DURATION.

Subdivision 1. Agricultural preserves shall continue until either the landowner or the authority initiates expiration as provided in this section.

Subd. 2. A landowner may initiate expiration by notifying the authority on a form provided by the commissioner of agriculture. The notice shall describe the property for which expiration is desired and shall state the date of expiration which shall be at least eight years from the date of notice. The notice and expiration may be rescinded by the owner at any time during the first two years following notice.

Subd. 3. The authority may initiate expiration by notifying the landowner by registered letter on a form provided by the commissioner of agriculture, provided that before notification (i) the comprehensive plan and the zoning for the land have been officially amended so that the land is no longer planned for long term agriculture and is no longer zoned for long term agriculture, evidenced by a maximum residential density permitting more than one unit per quarter/quarter, and (ii) the authority has certified such changes pursuant to section 473H.04, subdivision 2. The notice shall describe the property for which expiration is desired and shall state the date of expiration which shall be at least eight years from the date of notice.

Subd. 4. Upon receipt of the notice provided in subdivision 2, or upon notice served by the authority as provided in subdivision 3, the authority shall forward the original notice to the county recorder for recording and shall notify the county auditor, county assessor, the metropolitan council, and the county soil and water conservation district of the date of expiration. Designation as an agricultural preserve and all benefits and limitations accruing through sections 473H.02 to 473H.17 for the preserve shall cease on the date of expiration. The restrictive covenant filed with the application shall terminate on the date of expiration.

History: 1980 c 566 s 8; 1982 c 523 art 32 s 10

473H.09 EARLY TERMINATION.

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

History: 1980 c 566 s 9

473H.10 AD VALOREM PROPERTY TAXES.

Subdivision 1. Real property within an agricultural preserve shall be valued and assessed pursuant to chapter 273, except as provided in this section.

Subd. 2. All land classified agricultural and in agricultural use; exclusive of buildings, shall be valued solely with reference to its appropriate agricultural classification and value, notwithstanding sections 272.03, subdivision 8, and 273.11. In determining the value for ad valorem tax purposes the assessor shall not consider any added values resulting from nonagricultural factors.

Subd. 3. **Computation of tax; state reimbursement.** (a) After having determined the market value of all land valued according to subdivision 2, the assessor shall compute the gross tax capacity of those properties by applying the appropriate classification percentages. When computing the rate of tax pursuant to section 275.08, the county auditor shall include the gross tax capacity of land as provided in this clause.

(b) The county auditor shall compute the tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the gross tax capacity times the total rate of tax for all purposes as provided in clause (a).

(c) The county auditor shall then compute the maximum ad valorem property tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the gross tax capacity times 105 percent of the previous year's statewide average tax capacity rate levied on property located within townships for all purposes.

(d) The tax due and payable by the owner of preserve land valued according to subdivision 2 and nonresidential buildings will be the amount determined in clause (b) or (c), whichever is less. If the gross tax in clause (c) is less than the gross tax in clause (b), the state shall reimburse the taxing jurisdictions for the amount of difference. Residential buildings shall continue to be valued and classified according to the provisions of sections 273.11 and 273.13, as they would be in the absence of this section, and the tax on those buildings shall not be subject to the limitation contained in this clause.

The county may transfer money from the county conservation account created in section 40A.152 to the county revenue fund to reimburse the fund for the tax lost as a result of this subdivision or to pay taxing jurisdictions within the county for the tax lost. The county auditor shall certify to the commissioner of revenue on or before June 1 the total amount of tax lost to the county and taxing jurisdictions located within the county as a result of this subdivision and the extent that the tax lost exceeds funds available in the county conservation account. Payments shall be made by the state as provided in section 273.13, subdivision 15a, to each of the affected taxing jurisdictions if the county conservation account is insufficient to make the reimbursement. There is annually appropriated from the Minnesota conservation fund under section 40A.151 to the commissioner of revenue an amount sufficient to make the reimbursement provided in this subdivision. If the amount available in the Minnesota conservation fund is insufficient, the balance that is needed is appropriated from the general fund.

History: 1980 c 566 s 10; 1984 c 593 s 41; 1985 c 300 s 26; 1986 c 398 art 28 s 4; 1986 c 444; 1987 c 396 art 7 s 4; 1988 c 719 art 5 s 84

473H.11 LIMITATION ON CERTAIN PUBLIC PROJECTS.

Notwithstanding chapter 429, construction projects for public sanitary sewer

MINNESOTA STATUTES 1988

9149

METROPOLITAN AGRICULTURAL PRESERVES ACT 473H.15

systems and public water systems benefiting land or buildings in agricultural preserves shall be prohibited. New connections between land or buildings in agricultural preserves and sanitary sewers or water systems shall be prohibited. Public sanitary sewer or water systems built in the vicinity of agricultural preserves are deemed of no benefit to the land and buildings in agricultural preserves.

History: 1980 c 566 s 11

473H.12 PROTECTION FOR NORMAL FARM PRACTICES.

Local governments and counties shall be prohibited from enacting ordinances or regulations within an agricultural preserve which would unreasonably restrict or regulate normal farm structures or farm practices in contravention of the purpose of sections 473H.02 to 473H.17 unless the restriction or regulation bears a direct relationship to the public health and safety. This section shall apply to the operation of farm vehicles and machinery in the planting, maintenance and harvesting of crops and in the care and feeding of farm animals, the type of farming, and the design of farm structures, exclusive of residences.

History: 1980 c 566 s 12

473H.13 [Repealed, 1982 c 512 s 17]

473H.14 ANNEXATION PROCEEDINGS.

Agricultural preserve land within a township shall not be annexed to a municipality pursuant to chapter 414, without a specific finding by the Minnesota municipal board that either (a) the expiration period as provided for in section 473H.08 has begun; (b) the township due to size, tax base, population or other relevant factors would not be able to provide normal governmental functions and services; or (c) the agricultural preserve would be completely surrounded by lands within a municipality.

This section shall not apply to annexation agreements approved by the Minnesota municipal board prior to creation of the preserve.

History: 1980 c 566 s 14; 1982 c 523 art 32 s 11

473H.15 EMINENT DOMAIN ACTIONS.

Subdivision 1. Any agency of the state, any public benefit corporation, any local, county or regional unit of government, or any other entity possessing powers of eminent domain under chapter 117, shall follow the procedures contained in this section before (1) acquiring any land or easement having a gross area over ten acres in size within agricultural preserves; or (2) advancing a grant, loan, interest subsidy or other funds for the construction of dwellings, commercial or industrial facilities, or water or sewer facilities that could be used to serve nonfarm structures within agricultural preserves.

Subd. 2. At least 60 days prior to an action described in subdivision 1, notice of intent shall be filed with the environmental quality board containing information and in the manner and form required by the environmental quality board. The notice of intent shall contain a report justifying the proposed action, including an evaluation of alternatives which would not require acquisition within agricultural preserves.

Subd. 3. The environmental quality board, in consultation with affected units of government, shall review the proposed action to determine the effect of the action on the preservation and enhancement of agriculture and agricultural resources within the preserves and the relationship to local and regional comprehensive plans.

Subd. 4. If the environmental quality board finds that the proposed action might have an unreasonable effect on an agricultural preserve or preserves, the environmental quality board shall issue an order within the 60 day period for the party to desist from such action for an additional 60 day period.

Subd. 5. During the additional 60 day period, the environmental quality board shall hold a public hearing concerning the proposed action at a place within the affected preserve or otherwise easily accessible to the preserve upon notice in a newspaper

having a general circulation within the area of the preserves, and individual notice, in writing, to the municipalities whose territory encompasses the preserves, the agency, corporation or government proposing to take the action, and any public agency having the power of review of or approval of the action, in a manner conducive to the wide dissemination of the findings to the public.

Subd. 6. The review process required in this section may be conducted jointly with any other environmental impact review conducted by the environmental quality board.

Subd. 7. The environmental quality board may request the attorney general to bring an action to enjoin any agency, corporation or government from violating the provisions of this section.

Subd. 8. This section shall not apply to an emergency project which is immediately necessary for the protection of life and property.

Subd. 9. The environmental quality board shall be empowered to suspend any eminent domain action for up to one year which it determines to be contrary to the purposes of sections 473H.02 to 473H.17 and for which it determines there are feasible and prudent alternatives which have less negative impact on the agricultural preserves.

Subd. 10. The agricultural preserve designation and all benefits and limitations accruing through sections 473H.02 to 473H.17 for the preserve and the restrictive covenant for that portion of the preserve taken, shall cease on the date the final certificate is filed with the court administrator of district court in accordance with section 117.205.

History: 1980 c 566 s 15; 1982 c 523 art 32 s 12; 1Sp1986 c 3 art 1 s 82

473H.16 CONSERVATION.

Subdivision 1. Land within an agricultural preserve shall be farmed and otherwise managed according to sound soil and water conservation management practices. Management practices which are not sound shall be any use of the land resulting in wind or water erosion in excess of the soil loss tolerance for each soil type as found in the United States soil conservation service, Minnesota technical guide.

Subd. 2. The authority shall be responsible for enforcing this section. Upon receipt of a written complaint stating the conditions or land management practices which are believed to be in violation of this section, the authority shall consult with the county soil and water conservation district. The district shall determine the average soil loss in tons per acre per year for each field cited in the complaint according to the universal soil loss equation and the wind erosion equation, and shall return to the authority a report showing the average soil loss in tons per acre per year for each field and a list of alternative practices that the landowner can use to reduce the soil loss to the limit allowed in subdivision 1. After consultation, and if in the judgment of the authority the land is not being managed properly as required by this section, the authority shall adopt a resolution to this effect and shall seek corrective measures from the owner. At the request of the landowner, the district shall assist in the planning, design and application of the practices selected to reduce the soil loss to an acceptable level and shall give such landowners a high priority for providing technical and cost share assistance.

Subd. 3. Any owner who fails to implement corrective measures to the satisfaction of the authority within one year of notice from the authority shall be subject to a civil penalty of not more than \$1,000. The authority may recover the penalty by a civil action in a court of competent jurisdiction.

Subd. 4. Costs incurred by the authority in the enforcement of this section may be charged to the property owner. Charges not timely paid may be placed on the tax rolls and collected as a special assessment against the property.

History: 1980 c 566 s 16; 1982 c 523 art 32 s 13

473H.17 LAND USE.

Subdivision 1. Land within an agricultural preserve shall be maintained for agricultural production. The average maximum density of residential structures within an agricultural preserve shall not exceed one unit per 40 acres. The location of any new structure shall conform to locally applicable zoning regulations. Commercial and industrial uses shall not be permitted except as provided in subdivision 2 after the user is issued a permit by the authority. The authority shall be responsible for enforcing this section.

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

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

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

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

(b) "Existing" in paragraph (a), clauses (2) and (3), means existing on August 1, 1987.

Subd. 2. **Density restriction after subdivision.** When a separate parcel is created for a residential structure, commercial, or industrial use permitted under subdivision 1, the parcel shall cease to be an agricultural preserve unless the eligibility requirements of section 473H.03 are met. However, the separate parcel shall remain under the maximum residential density restrictions in effect for the original preserve at the time it was placed into the preserve until the agricultural preserve status for the original parcel ends.

History: 1980 c 566 s 17; 1987 c 396 art 7 s 5-7

473H.18 TRANSFER FROM AGRICULTURAL PROPERTY TAX LAW TREATMENT.

When land which has been receiving the special agricultural valuation and tax deferment provided in section 273.111 becomes an agricultural preserve pursuant to sections 473H.02 to 473H.17, the recapture of deferred tax and special assessments, as provided in section 273.111, subdivisions 9 and 11, shall not be made. Special assessments deferred under section 273.111, at the date of commencement of the preserve, shall continue to be deferred for the duration of the preserve. All special assessments so deferred shall be payable within 90 days of the date of expiration unless other terms are mutually agreed upon by the authority and the owner. In the event of early termination of a preserve or a portion of it under section 473H.09, all special assessments accruing to the terminated portion plus interest shall be payable within 90 days of the date of termination unless otherwise deferred or abated by executive order of the governor. In the event of a taking under section 473H.15 all special assessments accruing to the taken portion plus interest shall be payable within 90 days of the date the final certificate is filed with the court administrator of district court in accordance with section 117.205.

History: 1982 c 523 art 32 s 14; 1Sp1986 c 3 art 1 s 82