

CHAPTER 313—S.F.No. 542

An act relating to agriculture; changing the agricultural land preservation law; amending Minnesota Statutes 1988, sections 40A.02, subdivision 10; 40A.04, subdivision 1; 40A.10; 40A.11, subdivision 4; 40A.17; 273.119; and 473H.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 40A; repealing Minnesota Statutes 1988, section 40A.123, subdivision 3.

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

Section 1. Minnesota Statutes 1988, section 40A.02, subdivision 10, is amended to read:

Subd. 10. **EXCLUSIVE AGRICULTURAL USE ZONE PRESERVE.** “Exclusive Agricultural use zone preserve” or “zone preserve” means a zone preserve created under this chapter.

Sec. 2. Minnesota Statutes 1988, section 40A.04, subdivision 1, is amended to read:

Subdivision 1. **COUNTIES.** After January 1, 1987, a county located outside of the metropolitan area may submit to the commissioner and to the regional development commission in which it is located, if one exists, a proposed agricultural land preservation plan and proposed official controls implementing the plan. To the extent practicable, submission of the proposal must coincide with the completion of the county soil survey. The commissioner, in consultation with the regional development commission, shall review the plan and controls for consistency with the elements in this chapter and shall submit written comments to the county within ~~90~~ 60 days of receipt of the proposal. The comments must include a determination of whether the plan and controls are consistent with the elements in this chapter. The commissioner shall notify the county of its determination. If the commissioner determines that the plan and controls are consistent, the county shall adopt the controls within ~~60~~ 90 days of completion of the commissioner's review. If the commissioner determines that the plan and controls are not consistent, the comments must include the additional elements that must be addressed by the county. The county shall amend its plan and controls to include the additional elements and adopt the amended controls within ~~90~~ 120 days of completion of the commissioner's review.

Sec. 3. Minnesota Statutes 1988, section 40A.10, is amended to read:

40A.10 APPLICATION FOR CREATION OF EXCLUSIVE AGRICULTURAL USE ZONE PRESERVE.

Subdivision 1. **CONTENTS.** An eligible person may apply to the county in which the land is located for the creation of an ~~exclusive~~ exclusive agricultural use zone preserve on forms provided by the commissioner. In case a zone preserve is located in more than one county, the application must be submitted to the

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county in which the majority of the land is located. The application must contain at least the following information and other information the commissioner requires:

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

(b) Name and address of the owner;

(c) A witnessed signature of the owner covenanting that the land will be kept in exclusive agricultural use and will be used in accordance with the provisions of this chapter that exist on the date of application; and

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

In the case of registered property, the owner shall submit the owner's duplicate certificate of title along with the application.

Subd. 2. REVIEW AND NOTICE. Upon receipt of an application, the county shall determine if all material required by subdivision 1 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 to be complete by the county. The county shall send a copy of the application to the county assessor, the regional development commission, where applicable, and the soil and water conservation district where the land is located. The district shall prepare an advisory statement of existing and potential conservation problems in the zone. The district shall send the statement to the owner of record and to the commissioner. A copy of the application and a legal description of the property must also be sent to the commissioner.

Subd. 3. RECORDING. Within five days of the date of application, the county shall forward the application to the county recorder, together with the owner's duplicate certificate of title in the case of registered property. The county recorder shall record the restrictive covenant and return it to the applicant. In the case of registered property, the recorder shall memorialize the restrictive covenant upon the certificate of title and the owner's duplicate certificate of title. The recorder shall notify the county that the covenant has been recorded or memorialized.

Subd. 4. COMMENCEMENT OF EXCLUSIVE AGRICULTURAL USE ZONE. The land is an exclusive agricultural use zone and subject to the benefits and restrictions of this chapter commencing 30 days from the date the county determines the application is complete under subdivision 1.

Subd. 5. FEE. The county may require an application fee, not to exceed \$50.

Subd. 6. MAPS. The commissioner shall maintain agricultural preserve maps illustrating land covenanted as agricultural preserves.

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Sec. 4. Minnesota Statutes 1988, section 40A.11, subdivision 4, is amended to read:

Subd. 4. **NOTICE AND RECORDING; TERMINATION.** When the county receives notice under subdivision 2 or serves notice under subdivision 3, the county shall forward the original notice to the county recorder for recording and shall notify the regional development commission, the commissioner, and the county soil and water conservation district of the date of expiration. Designation as an ~~exclusive~~ agricultural use zone preserve and the benefits and limitations contained in this chapter and the restrictive covenant filed with the application cease on the date of expiration. In the case of registered property, the county recorder shall cancel the restrictive covenant upon the certificate of title and the owner's duplicate certificate of title on the effective date of the expiration.

Sec. 5. Minnesota Statutes 1988, section 40A.17, is amended to read:

40A.17 REPORT.

The commissioner shall report to the legislature on January 1 ~~and July 1~~ of each year on activities under this chapter. By July 1, 1985, the report must include the survey of public awareness in the awareness program. The report shall include recommendations for funding levels and other necessary legislative action.

Sec. 6. [40A.18] LAND USE.

Subdivision 1. AGRICULTURAL PRODUCTION. Land within an agricultural preserve must be maintained for agricultural production. The average maximum density of residential structures within an agricultural preserve and the location of a new structure must conform to locally applicable plan or zoning regulations. Commercial and industrial uses are not permitted except as provided in subdivision 2 after the user is issued a permit by the local government. The local government is responsible for enforcing this section.

Subd. 2. ALLOWED COMMERCIAL AND INDUSTRIAL OPERATIONS. 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.

"Existing" in clauses (2) and (3) means existing on August 1, 1989.

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Subd. 3. DENSITY RESTRICTION AFTER SUBDIVISION. If a separate parcel is created for a residential structure, commercial, or industrial use permitted under subdivision 1, the parcel is no longer an agricultural preserve unless the eligibility requirements of section 40A.09 and any county eligibility requirements are met. However, the separate parcel must 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.

Sec. 7. [40A.19] 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 under sections 40A.02 to 40A.17, the recapture of deferred tax and special assessments as provided in section 273.111, subdivisions 9 and 11, may not be made. Special assessments deferred under section 273.111, at the date of commencement of the preserve, must continue to be deferred for the duration of the preserve. All these deferred special assessments are 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 40A.11, subdivision 5, all special assessments accruing to the terminated portion plus interest are 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 40A.122, all special assessments accruing to the taken portion plus interest are 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.

Sec. 8. Minnesota Statutes 1988, section 273.119, is amended to read:

[273.119] CONSERVATION TAX CREDIT.

Subdivision 1. ELIGIBILITY; AMOUNT OF CREDIT. Land located in an ~~exclusive~~ agricultural use zone preserve created under chapter 40A is eligible for a property tax credit of \$1.50 per acre. To begin to qualify for the tax credit ~~in any year~~, the owner shall file with the ~~assessor~~ county by ~~June 30~~ January 2 of ~~that any year a record of the an application for an agricultural preserve restrictive covenant received by the owner under pursuant to~~ section 40A.10, subdivision 3 1. An owner who has given notice of termination of the exclusive agricultural use zone under section 40A.11, subdivision 2, is not eligible for the credit. The assessor shall indicate the amount of the property tax reduction on the property tax statement of each taxpayer receiving a credit under this section. The credit paid pursuant to this section shall be deducted from the tax due on the property before computation of the homestead credit paid pursuant to section 273.13 and the state agricultural credit paid pursuant to section 124.2137.

Subd. 2. REIMBURSEMENT FOR LOST REVENUE. The county may transfer money from the county conservation account created in section 40A.152

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to the county revenue fund to reimburse the fund for the cost of the property tax credit. The county auditor shall certify to the commissioner of revenue on or before June 1 of each year, as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29, the amount of tax lost to the county from the property tax credit under subdivision 1 and the extent that the tax lost exceeds funds available in the county conservation account. Any prior year adjustments must also be certified in the abstracts of tax lists. The commissioner of revenue shall review the certifications to determine their accuracy. The commissioner may make the changes in the certification that are considered necessary or return a certification to the county auditor for corrections. On or before July 15 of each year, the commissioner shall reimburse the county from the Minnesota conservation fund under section 40A.151 for the taxes lost in excess of the county account.

Sec. 9. Minnesota Statutes 1988, section 473H.03, is amended by adding a subdivision to read:

Subd. 6. Contiguous long-term agricultural land not meeting the total acreage requirements of this section but under the same ownership as an agricultural preserve adjoining it on at least one side shall be eligible for designation as an agricultural preserve.

Sec. 10. INSTRUCTION TO REVISOR.

The revisor of statutes shall change the words "exclusive agricultural use zone" wherever they appear in Minnesota Statutes to "agricultural preserve."

Sec. 11. REPEALER.

Minnesota Statutes 1988, section 40A.123, subdivision 3, is repealed.

Presented to the governor May 30, 1989

Signed by the governor June 1, 1989, 11:19 p.m.

CHAPTER 314—S.F.No. 1378

An act relating to animals; regulating use of certain prescription veterinary drugs; changing certain procedures for licensing veterinarians; establishing an animal population control study commission; amending Minnesota Statutes 1988, sections 151.19, subdivision 3; 151.34; and 156.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 156.

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

Section 1. Minnesota Statutes 1988, section 151.19, subdivision 3, is amended to read:

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