

AGRICULTURAL PRESERVE PROGRAM

In 1982, the Legislature passed the Metropolitan Agricultural Preserve Act. The program is intended to encourage the protection of farmland from premature conversion to non-agricultural uses. Participation in the program is strictly voluntary; the owner of the land must sign up for the program. Most of the land in Carver County outside of the cities is eligible for the program provided the land meets further detailed criteria. Some of the cities have areas that have been designated as eligible for the program. A land owner enters the program by placing a restrictive covenant on the land – through this covenant, the land owner(s) agree to certain restrictions on the use of the land and in return gets certain benefits.

BENEFITS: The following is a summary of the major benefits associated with the program:

1. The major benefits for most land owners are: a real estate tax benefit (see back of sheet for explanation); and the tax value of the land will be based on its agricultural value, not its development value.
2. Sewer and water lines cannot be constructed through the property so as to benefit the property nor can you be assessed for such improvements.
3. You are protected from laws or ordinances that would restrict normal farm practices, except as relating to the public health and safety.
4. Your land cannot be annexed into a city except under very special circumstances or unless you have filed the expiration documents.
5. Limitations are placed on eminent domain action taking more than ten (10) acres of land that is in Ag Preserve.

RESTRICTIONS: The following is a summary of the major restrictions on land in the program:

1. The land shall continue to be used principally for agricultural purposes.
2. There shall be no more than one (1) home per forty (40) acres – this restriction is no more restrictive than the County Zoning Ordinance. The land is not eligible for additional homes under the “wooded lot” or “high amenity” provisions. All of the County Zoning and Subdivision regulations apply (regardless of whether the land is in Ag Preserve or not).
3. The land must be farmed and managed according to sound soil and water conservation practices.
4. The land must remain in the program for a minimum of eight (8) years. The covenant is forever unless the land owner(s) specifically apply to have the covenant terminate. The covenant terminates eight (8) years after the land owner(s) execute the forms to terminate the covenant.

ELIGIBILITY FOR THE PROGRAM:

In order to be eligible, the land must be in an area that is planned for long term agriculture and is zoned for agriculture. Almost all of the land outside city limits in the County is eligible under these criteria. In addition, land to be placed in the program must meet one of the following criteria:

1. The land must be a minimum of forty (40) acres or a complete 1/4 1/4 section; or,
2. A number of parcels, all of which must be a minimum of ten (10) acres and not adjacent to each other and adding up to at least forty (40) acres; or,

3. A parcel of land of at least twenty (20) acres and meeting a number of special criteria.

HOW TO APPLY OR GET FURTHER INFORMATION

The County Land Management Department in the Government Center administers the program. The Department will provide information about the program as well as forms and assistance for entering the program. When you enter the program, you are placing a legally binding restriction on your land; you may wish to contact your attorney before you enter the program. In order to apply, a copy of the current legal description of your land will be needed. This can be a copy of your deed, contract for deed, or a copy of the description on your abstract. If your land is Torrens land, you should bring in your owner's duplicate title. The covenant document must be signed by ALL persons with an ownership interest in the property. **Both husband and wife must sign, even if only one name appears on the deed.** If you are purchasing the land on a contract for deed, the holder of the deed and any other contract holders must also sign. All of the signatures must be notarized.

There is no deadline for applications, but for the tax benefit to be effective in any given year, **the application must be completed and physically returned to the County Land Management Department on or before May 31st**. There is a \$50 filing fee to enroll new parcels in the program and a \$10 filing fee for renewal parcels.

For further information, contact the Land Management Department at the Government Center at (952) 361-1820

Ag Preserve Credit Calculation

Effective with the calculation of Payable 1993 property taxes, M.S. 473.10, Subd 3, allows a change to the computation of Ag Preserve Credit. The credit will be calculated by using one

(1) of the two (2) formulas shown below. The formula used will be the one that calculates the greater amount of benefit for the taxpayer.

Credit Calculation

Formula #1 (2-step process)

1. Current Tax Capacity – Ag Preserve Rate = Rate Difference (This Rate Difference is used to calculate the credit)
2. Tax Capacity of Ag Preserve Land x Rate Difference = Ag Preserve Credit

Formula #2

Number of Eligible Acres in Ag Preserve Program x \$1.50 = Ag Preserve Credit

All formulas used to calculate property taxes are directed by the State Legislature. The method of calculation listed above will remain in effect until changed by legislative action. (Formula #2 is a change from years prior to 1993. It provides a minimum benefit of \$1.50 per acre. Formula #1 was the only formula used to calculate Ag Preserve credit for all years prior to 1993.)

If you have any questions on this calculation, please contact the Carver County Taxpayer Services Department at (952) 361-1910.