



2010
Metropolitan Agricultural Preserves Program
Status Report

Twin Cities Metropolitan Area

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Introduction to the Metropolitan Agricultural Preserves Program

Minnesota Statutes 473H established the Metropolitan Agricultural Preserves Program in 1980 to encourage and preserve areas of land planned and zoned for long-term agricultural use within the seven-county metropolitan area. Originally, the Metropolitan Council worked with local governments to identify and map important agricultural areas, and then certify by resolution that these areas were eligible for enrollment in the program. Since that time, the local governments have again evaluated these agricultural areas to add or remove lands as a part of the 2008 local comprehensive plan update process.

The legislation intends to encourage the use and improvement of the metropolitan area's agricultural lands for producing food and other agricultural commodities. It establishes a process to designate agricultural areas as a long-term land use, and provides benefits to maintain viable productive farm operations.

The legislation provides metropolitan area farmers the assurance that they can finance long-term agricultural investments, and continue to produce crops on agricultural lands. In turn, the program's incentives encourage farming as a long-term land use, encourage local food production, and support the Twin Cities farming economy.

The Agricultural Preserves Program acknowledges the regional and local planning processes, and provides local units of government a planning method to designate long-term agricultural lands through the eligibility "certification" process. From a regional planning perspective, the certification process demonstrates to the Metropolitan Council the value of the locally-certified lands as an indicator of agricultural areas that warrant the highest level of regional support.

The legislation directs the Council to prepare annual reports summarizing participation in the program and to maintain maps illustrating lands covenanted as agricultural preserves. The Metropolitan Council has monitored the program's participation since 1982, and this report summarizes program enrollment as of the end of 2010.

Eligibility and Implementation

The legislation directs the local authority, or the local government having planning and zoning authority, to implement the program and its requirements, the application process and the program restrictions. The local authority identifies long-term agricultural land in the local comprehensive plan, creates corresponding zoning for these areas, and establishes a density at no more than one dwelling unit per forty acres. The local authority then adopts a resolution certifying that these agricultural lands are appropriately planned and zoned for long term agriculture, meeting legislative requirements for enrollment. This certification process identifies lands that are eligible for program enrollment, and allows landowners to pursue an application for enrollment.

Enrollment

The program is voluntary, and landowners typically work with the local authority to prepare and record enrollment applications. The legislation specifies that a minimum of forty acres is required for enrollment. However, the legislation allows certain conditions where this minimum may be reduced to accommodate smaller, non-contiguous parcels that are farmed as a unit.

The enrollment application is a restrictive covenant that includes the property's legal description, notarized signatures, and an affidavit of the local authority certifying that the land is eligible for enrollment. The covenant is recorded with the property title at the county and remains effective if ownership changes.

The covenant indicates that the land shall be kept in agricultural use as defined by statute, which includes the production for sale of livestock, dairy animals or products, poultry and products, horticulture, and fruit. The document states that the restrictive covenant remains in effect until either the landowner, or the local authority initiates an expiration notice. The covenant and benefits end eight years from the date the expiration notice is signed and recorded. Enrollment applications must be recorded at the county before June 1 of each year to receive property tax benefits payable the following year.

Benefits

Landowners enrolled in the program receive a number of benefits. The Agricultural Preserves lands are classified as agricultural, and are valued as agricultural, without considering any added values resulting from nonagricultural factors. The Counties property tax departments calculate taxes based upon the lower of two assessments, the local tax rate, or a second rate calculated as 105 percent of the previous year's statewide average tax rate for townships outside the metropolitan area. The calculation results in a reduced property tax rate called "Conservation Credit," that can range in value, but is at least a minimum tax savings of \$1.50 per acre.

The program prohibits special assessments for public improvement projects including sanitary sewer systems, storm water sewer systems, water systems, roads and other improvements. It prohibits local governments from enacting or enforcing ordinances or regulations that restrict normal farm practices. Finally, it requires local governments to follow specific procedures if an entity initiates annexation or eminent domain actions that affect agricultural preserve land over ten acres in size.

Enrollment (acres) by County 2000 to 2010

County	2010	2009	2008	2007	2006	2000	2000-2010 Change
Anoka	1,591	1,520	1,793	2,104	2,139	3,026	-1,435
Carver	98,337	93,271	93,739	93,518	94,621	100,995	-2,658
Dakota	59,308	57,841	58,763	59,535	60,838	64,823	-5,515
Hennepin	12,113	11,141	11,406	12,326	12,413	13,552	-1,439
Scott	7,332	7,193	7,077	7,393	7,353	8,443	-1,111
Washington	8,227	8,932	9,045	9,204	9,101	9,456	-1,229
Total	186,908	179,898	181,823	184,080	186,465	200,295	-13,387

Footnote: MN Department of Revenue

The program's total enrollment for 2010 is approximately 187,000 acres, just over 292 square miles. This area is 93 percent of the total area enrolled in the year 2000, over 200,000 acres. While the total acreage enrolled from 2000 to 2010 decreased, the enrollment from 2009 to 2010 reflects a modest rebound, adding just over 7,000 acres.

Funding

The Agricultural Preserves Program is funded by a \$5.00 fee collected by metro area counties on mortgage registrations and deed transfers (MRDT). Of the fee revenue, the counties retain half in a county conservation fund, and forward the remaining half to both the Minnesota Conservation Fund and to the State general fund, split equally. The county conservation fund revenue supplements the property tax credit that the program provides to participating landowners.

If the county conservation fund is not sufficient to reimburse the tax loss, counties may then draw from the state conservation fund. If the state conservation fund revenue is not sufficient, the state will appropriate the funding from the state's general fund.

The program legislation allows counties to use any remaining conservation revenues for agricultural land preservation or conservation planning activities each year. However, counties must transfer any unencumbered revenue back to the state each year.




2010 Program Funding and Tax Credit Summary

	2010 Land Enrolled (acres)	Conservation (Tax) Credit (\$)	County Share MRDT Fee Revenue (\$)	Drawn from State Conservation Fund (\$)	Remains in County Fund (\$)
Anoka	1,591	\$5,447	\$59,131	0	53,684
Carver	98,337	\$195,361	\$20,845	\$174,516	0
Dakota	59,308	\$149,389	\$76,130	\$73,259	0
Hennepin	12,113	\$65,176	\$226,265	0	161,089
Ramsey	0	0	\$82,373	0	82,373
Scott	7,332	\$11,562	\$30,285	0	18,723
Washington	8,227	\$12,355	\$52,238	0	39,883
Totals	186,908	\$439,290	\$547,266	\$247,775	\$355,751

This table demonstrates that Carver County has 52 percent of the metropolitan areas total acres enrolled in the program and therefore, it pays the highest amount of total conservation credit to participants. Both Carver and Dakota Counties draw upon the State Conservation Fund to supplement the county share needed to pay conservation credit.

Metropolitan Agricultural Preserves Program 2010 Enrollment

May 2011

-  County Boundary
-  City & Township Boundary
-  Agricultural Preserves Parcels

