

MN Ag Land Preservation

Minnesota Agricultural Land Preservation Program

A program that has not evolved with time.

Commissioner De Malterer
Waseca County

The beginning...

Began as a metro area program in 1980 (MN Statutes Chapter 473H)

- Paid for by a surcharge of \$5.00 on recording of mortgages and deeds.
 - \$2.50 to Commissioner of Revenue
 - \$2.50 into a special conservation account in the county general revenue fund

Metro Program

Credit amount is derived from a formula that uses land values to provide a credit that fluctuates along with the land values.

County funds are used to offset the cost of the 'conservation tax credit'

In exchange for tax credit landowners sign a covenant that:

- Restricts land use to Agricultural and Forestry uses
- Provides some protections to landowners
- Require 8 years to withdraw land, early termination is allowed with approval

Moving it to Greater Minnesota

Established in 1984

Modeled after Metro program

Piloted in 5 Counties

Pilot completed in 1987

Waseca, Winona, and Wright, established Ag Preserve Programs

Big difference between metro and out-state

- Out-state tax credit is Flat \$1.50 per acre
 - (No fluctuation of rate based on land values or inflation)
- Minimum parcel 35 acres
- Metro Version Updates
 - changes to withdrawal period allows a great deal of flexibility

The Program in Waseca County

276,790.89 acres

Zoned A1

259,720 Acres

93.8% of total county acres

79,123 acres Ag Preservation (2017)

26.8% of total county acres are in

Ag Preservation

30.6% of A1 Acres are in Ag Preservation



The times they are a-changing...

- Land values
- Banking practices
- Conservation philosophies and practices and policy
- No sunset for this covenant (unlike most with a 30 year lifespan)
- New income opportunities for rural landowners

For example ...Solar



Land rent for ag purposes

- \$200-\$300/acre
- $\$300 \times 10\text{ac} \times 25\text{ yr} = \$75,000.00$

Plus Conservation tax credit

- $\$1.50 \times 10\text{ac} \times 25\text{ yr} = \375.00

Income over 25 years on 10 acres

\$75,375.00

Land rent for solar purposes

- \$1000/acre
- $\$1000 \times 10\text{ac} \times 25\text{ yr} = \$250,000$

Income over 25 years on 10 acres

\$250,000.00

Program Administration Challenges

Costs: Administration costs borne by county

*Staff time to serve residents in multiple departments

Across the county:

*Planning and Zoning

*Auditor-Treasurer

*Assessor

*Recorder

*Landowners

Strengthening the Program – SF2537

- Solar facilities up to 1 megawatt as accessory uses on enrolled properties
 - Added to list of allowed commercial and industrial uses
 - Small acreage that provides farm income
- Adjust withdraw period for parcels from 8 years to 3 years
 - Opportunities that strengthen the community – new homes/businesses
 - Flexibility for generational shift
 - Draw interest from new participants

We appreciate your support!

Questions?

Thank You!

Contact information

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