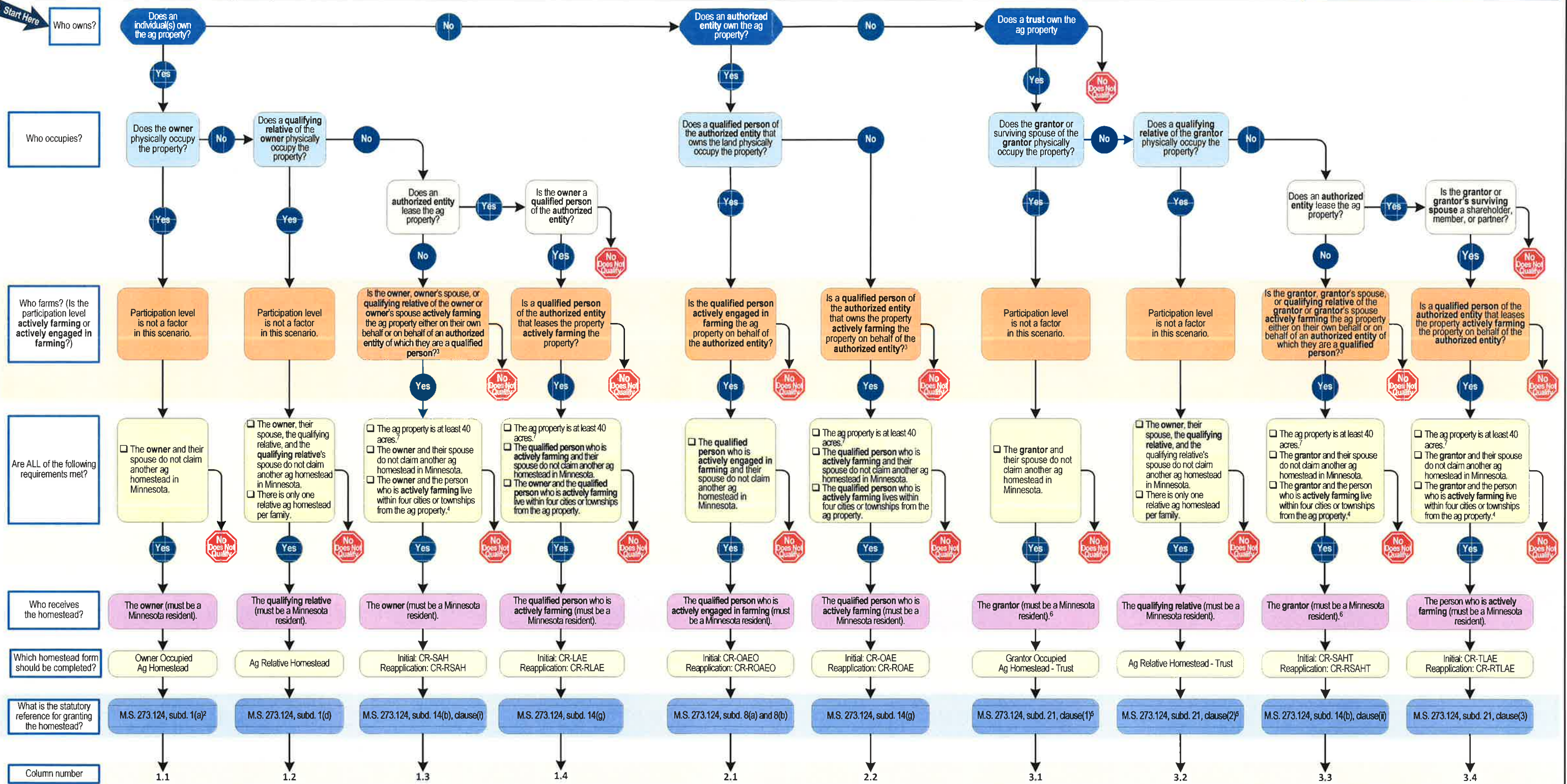


Establishing Agricultural Homestead¹ Flowchart

2017 Revisions

Note: Terms in **bold** are defined in the glossary.



Footnotes

¹ The property must first properly qualify as agricultural. (See M.S. 273.13, subdivision 23.)
² If the entire property including the HGA is leased, the property must meet the requirements of M.S. 273.124, subdivision 8(c) to qualify as an owner occupied ag homestead.

³ In some cases, the Farm Service Agency number may be in an authorized entity's name when the person actively farming is doing so on behalf of the authorized entity.
⁴ If the owner or the owner's spouse (or grantor or grantor's spouse) is required by their

employer to live in employer-provided housing, the owner or owner's spouse, whomever is actively farming the agricultural property, may live more than four townships or cities, or combination of four townships or cities from the agricultural property.

⁵ If the entire property including the HGA is leased, the property must qualify under M.S. 273.124, subdivision 21, clause (3) to qualify as an owner occupied ag homestead.

⁶ If the grantor is deceased, the property may still qualify for

homestead to the benefit of the trust. The active farmer must sign the application, attesting that the requirements are factually met, but the homestead is given to the land owned by the trust.

⁷ The ag property is at least 40 acres, including undivided government lots and correctional 40's.

Glossary

actively engaged in farming - participation on the farm on a regular and substantial basis. The person who is actively engaged in farming must be a Minnesota resident.

actively farming - participation in the day-to-day decision making, labor, administration, and management of the farm as well as assuming all or a portion of the financial risks and sharing in any profits or losses. The person who is actively farming must be a Minnesota resident.

authorized entity - can be a family farm corporation, joint family farm venture, limited liability company, or partnership operating a family farm. (See M.S. 273.124, subdivision 8(a).) This is limited to authorized entities with 12 or fewer members, shareholders, or partners.

grantor - is defined as the person creating or establishing a trust.
owner - is defined as an individual person or multiple people who own the property
qualified person - must be a Minnesota resident and can be a member, shareholder, or partner in an authorized entity.

qualifying relative or surviving relative - must be a Minnesota resident. For agricultural property, a qualified relative can be a child, sibling, grandchild, or parent of the owner or of the spouse of the owner or grantor of the agricultural property. (See M.S. 273.124, subdivision 1(d).) The list of relatives for residential property is different. (See M.S. 273.124, subdivision 1(c).)

trust - a fiduciary relationship under which one party holds property for the benefit of another party.