This bill allows the city of Bird Island to exchange a parcel of land for a parcel that is exempt under Minnesota Statutes, section 500.221 and allows the owner of the exempt parcel to have an exemption for up to the same acreage on the exchanged parcel.

Minnesota Statutes, section 500.221, in general, prohibits foreign ownership of agricultural land. Subdivision 2 of that section provides exemptions from the prohibition for:

1. agricultural land that may be acquired by devise, inheritance, as security for indebtedness, by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise. All agricultural land acquired in the collection of debts or by the enforcement of a lien or claim shall be disposed of within three years after acquiring ownership;
2. citizens or subjects of a foreign country whose rights to hold land are secured by treaty;
3. lands used for transportation purposes by a common carrier, as defined in section 218.011, subdivision 2;
4. lands or interests in lands acquired for use in connection with (i) the production of timber and forestry products by a corporation organized under the laws of Minnesota, or (ii) mining and mineral processing operations. Pending the development of agricultural land for the production of timber and forestry products or mining purposes the land may not be used for farming except under lease to a family farm, a family farm corporation or an authorized farm corporation;
5. agricultural land operated for research or experimental purposes if the ownership of the agricultural land is incidental to the research or experimental objectives of the person or business entity and the total acreage owned by the person or business entity does not exceed the acreage owned on May 27, 1977;
6. the purchase of any tract of 40 acres or less for facilities incidental to pipeline operation by a company operating a pipeline as defined in section 116L.01, subdivision 3; or
7. agricultural land and land capable of being used as farmland in vegetable processing operations that is reasonably necessary to meet the requirements of pollution control law or rules.