

Sec. 64. Except as otherwise specifically provided, this Act is effective January 1, 1979.

Approved April 27, 1978

CHAPTER 1079
CORPORATE FARMING

H. F. 2021

AN ACT relating to definitions and reports pertaining to corporate farming, restrictions on and conveyance of agricultural land holdings, and providing penalties for violations of the corporate farming Act.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section one hundred seventy-two C point one (172C.1), Code 1977, as amended by Acts of the Sixty-seventh General Assembly, 1977 Session, chapter eighty-two (82), is amended by adding the following new subsection:

NEW SUBSECTION. "Actively engaged in farming" means that a natural person who is a shareholder and an officer, director or employee of the corporation either:

- a. Inspects the production activities periodically and furnishes at least half of the value of the tools and pays at least half the direct cost of production; or
- b. Regularly and frequently makes or takes an important part in making management decisions substantially contributing to or affecting the success of the farm operation; or
- c. Performs physical work which significantly contributes to crop or livestock production.

NEW SUBSECTION. "Nonresident alien" means:

- a. An individual who is not a citizen of the United States and who is not domiciled in the United States.
- b. A corporation incorporated under the law of any foreign country.
- c. A corporation organized in the United States, beneficial ownership of which is held, directly or indirectly, by nonresident alien individuals.
- d. A trust organized in the United States or elsewhere if beneficial ownership is held, directly or indirectly, by nonresident alien individuals.
- e. A partnership or limited partnership organized in the United States or elsewhere if beneficial ownership is held, directly or indirectly, by nonresident alien individuals.

NEW SUBSECTION. The term "beneficial ownership" includes interests held by a nonresident alien individual directly or indirectly holding or acquiring a ten percent or greater share in the partnership, limited partnership, corporation or trust, or directly or indirectly through two or more such entities. In addition, the term beneficial ownership shall include interests held by all nonresident alien individuals if the nonresident alien individuals in the aggregate directly or indirectly hold or acquire twenty-five percent or more of the partnership, limited partnership, corporation or trust.

Sec. 2. Section one hundred seventy-two C point four (172C.4), subsection two (2), Code 1977, is amended by adding the following new paragraph:

NEW PARAGRAPH. Commercial sales are incidental to the research or experimental objectives of the corporation when they are less than twenty-five percent of the gross sales of the primary product of the research. The limitation provided in this subsection shall not apply to corporations referred to in subsection three (3) of this section.

Sec. 3. Section one hundred seventy-two C point four (172C.4), subsection three (3), Code 1977, as amended by Acts of the Sixty-seventh General Assembly, 1977 Session, chapter eighty-two (82), section four (4), is amended by striking the subsection and inserting in lieu thereof the following:

3. Agricultural land, including leasehold interests, acquired by a nonprofit corporation organized under the provisions of chapters five hundred four (504) and five hundred four A (504A) of the Code including land acquired and operated by or for a state university for research, experimental, demonstration, foundation seed increase or test purposes and land acquired and operated by or for nonprofit corporations organized specifically for research, experimental, demonstration, foundation seed increase or test purposes in support of or in conjunction with a state university.

Sec. 4. Section one hundred seventy-two C point four (172C.4), Code 1977, as amended by Acts of the Sixty-seventh General Assembly, 1977 Session, chapter eighty-two (82), is amended by adding the following new subsections:

NEW SUBSECTION. Agricultural land acquired by a trust for immediate use in non-farming purposes.

NEW SUBSECTION. Any corporation, other than a family farm corporation or an authorized farm corporation, violating the provisions of this section shall upon conviction, be punished

by a fine of not more than fifty thousand dollars and shall divest itself of any land acquired in violation of this section within one year after conviction. The courts of this state may prevent and restrain violations of this section through the issuance of an injunction. The attorney general or a county attorney shall institute suits on behalf of the state to prevent and restrain violations of this section.

Sec. 5. Section one hundred seventy-two C point five (172C.5), subsection one (1), Code 1977, is amended to read as follows:

1. Declaration of the type of agricultural activity engaged in by the reporting corporation and the name, address and title of the agent or person in charge of the corporation's daily operations.

Sec. 6. Section one hundred seventy-two C point six (172C.6), subsection two (2), Code 1977, is amended to read as follows:

2. Declaration of the type of agricultural activity engaged in by the reporting limited partnership and the name, address and title of the agent or person in charge of the limited partnership's daily operations.

Sec. 7. Section one hundred seventy-two C point eleven (172C.11), Code 1977, is amended by striking the section and inserting in lieu thereof the following:

172C.11 PENALTIES--REPORTS. Failure to timely file a report or the filing of false information is punishable by a civil fine not to exceed one thousand dollars.

For purposes of this section a report is timely filed if the report is filed prior to May first of the year in which it is required to be filed.

The secretary of state shall notify a person whom the secretary has reason to believe is required to file a report as provided by this chapter and who has not filed a timely report that the person may be in violation of this section. After thirty days from receipt of the notice, any person required to report under this chapter who has not filed shall be assessed a civil fine of one hundred dollars for each day in which the report is not filed. The secretary of state shall include in the notice, a statement of the penalty which will be assessed if the report is required and is not filed within thirty days. This penalty shall be in addition to any other penalty under this chapter.

Sec. 8. Section one hundred seventy-two C point fourteen (172C.14), Code 1977, is amended to read as follows:

172C.14 DUTIES OF SECRETARY OF STATE--LEGISLATIVE USE. The secretary of state shall do all things necessary to implement this chapter. It is the intent of this section that information shall be made available to members of the general assembly and appropriate committees of the general assembly in order to determine the extent of farming being carried out in this state by corporations and other business entities and the effect of such farming practices upon the economy of this state. The reports of processors required in section one hundred seventy-two C point nine (172C.9) of the Code shall be confidential reports except as to the general assembly and appropriate committees of the general assembly whose members upon receipt of such reports treat such information as confidential and to the attorney general for review and appropriate action when necessary. The secretary of state shall assist any committee of the general assembly existing or established for the purposes of studying the effects of this chapter and the practices this chapter seeks to study and regulate.

Sec. 9. Chapter five hundred fifty-eight (558), Code 1977, is amended by adding the following new sections:

NEW SECTION. DEFINITIONS. As used in this chapter unless the context otherwise requires:

1. "Nonresident alien" means:
 - a. An individual who is not a citizen of the United States and who is not domiciled in the United States.
 - b. A corporation incorporated under the law of any foreign country.
 - c. A corporation organized in the United States, beneficial ownership of which is held, directly or indirectly, by nonresident alien individuals.
 - d. A trust organized in the United States or elsewhere if beneficial ownership is held, directly or indirectly, by nonresident alien individuals.
 - e. A partnership or limited partnership organized in the United States or elsewhere if beneficial ownership is held, directly or indirectly, by nonresident alien individuals.
2. The term "beneficial ownership" includes interests held by a nonresident alien individual directly or indirectly holding or acquiring a ten percent or greater share in the partnership, limited partnership, corporation or trust, or directly or indirectly through two or more such entities. In addition, the term beneficial ownership shall include interests held by all nonresident alien individuals if the

nonresident alien individuals in the aggregate directly or indirectly hold or acquire twenty-five percent or more of the partnership, limited partnership, corporation or trust.

3. The term "conveyance" means all deeds and all contracts for the conveyance of an estate in real property except those contracts to be fulfilled within six months from date of execution thereof.

4. "Agricultural land" means agricultural land as defined in section one hundred seventy-two C point one (172C.1) of the Code.

NEW SECTION. MANDATORY RECORDATION OF CONVEYANCES AND LEASES OF AGRICULTURAL LAND. Every conveyance or lease of agricultural land, except leases not to exceed five years in duration with renewals, conveyances or leases made by operation of law, and distributions made from estates to heirs or devisees shall be recorded by the grantee or lessee with the county recorder not later than one hundred eighty days after the date of conveyance or lease.

For an instrument of conveyance of agricultural land deposited with an escrow agent, the fact of deposit of that instrument of conveyance with the escrow agent as well as the name and address of the grantor and grantee shall be recorded, by a document executed by the escrow agent, with the county recorder not later than one hundred eighty days from the date of the deposit with the escrow agent. For an instrument of conveyance of agricultural land delivered by an escrow agent, that instrument shall be recorded with the county recorder not later than one hundred eighty days from the date of delivery of the instrument of conveyance by the escrow agent.

At the time of recordation of the conveyance or lease of agricultural land, except a lease not exceeding five years in duration with renewals, conveyances or leases made by operation of law and distributions made from estates of decedents to heirs or devisees, to a nonresident alien as grantee or lessee, such conveyance or lease shall disclose, in an affidavit to be recorded therewith as a precondition to recordation, the name, address, and citizenship of the nonresident alien. In addition, if the nonresident alien is a partnership, limited partnership, corporation or trust, the affidavit shall also disclose the names, addresses, and citizenship of the nonresident alien individuals who are the beneficial owners of such entities. However, any partnership, limited partnership, corporation, or trust which has a class

of equity securities registered with the United States securities and exchange commission under section twelve (12) of the Securities Exchange Act of 1934 as amended to January 1, 1978, need only state that fact on the affidavit.

Failure to record a conveyance or lease of agricultural land required to be recorded by this section by the grantee or lessee within the specified time limit is punishable by a fine not to exceed one hundred dollars per day for each day of violation. The county recorder shall record a conveyance or lease of agricultural land presented for recording even though not presented within one hundred eighty days after the date of conveyance or lease. The county recorder shall forward to the county attorney a copy of each such conveyance or lease of agricultural land recorded more than one hundred eighty days from the date of conveyance. The county attorney shall initiate action in the district court to enforce the provisions of this section. Failure to timely record shall not invalidate an otherwise valid conveyance or lease.

Sec. 10. Chapter five hundred sixty-seven (567), Code 1977, is amended by adding the following new section:

NEW SECTION. DEFINITIONS. As used in this chapter unless the context otherwise requires:

1. "Nonresident alien" means:
 - a. An individual who is not a citizen of the United States and who is not domiciled in the United States.
 - b. A corporation incorporated under the law of any foreign country.
 - c. A corporation organized in the United States, beneficial ownership of which is held, directly or indirectly, by nonresident alien individuals.
 - d. A trust organized in the United States or elsewhere if beneficial ownership is held, directly or indirectly, by nonresident alien individuals.
 - e. A partnership or limited partnership organized in the United States or elsewhere if beneficial ownership is held, directly or indirectly, by nonresident alien individuals.

Real estate owned or controlled on July 1, 1978, by a nonresident alien as defined in paragraphs c, d and e of this subsection, except corporations organized in the United States with fifty percent or more of its stock owned or controlled by nonresident aliens, shall not escheat to the state under the provisions of this chapter.

2. The term "beneficial ownership" includes interests

held by a nonresident alien individual directly or indirectly holding or acquiring a ten percent or greater share in the partnership, limited partnership, corporation or trust, or directly or indirectly through two or more such entities. In addition, the term beneficial ownership shall include interests held by all nonresident alien individuals if the nonresident alien individuals in the aggregate directly or indirectly hold or acquire twenty-five percent or more of the partnership, limited partnership, corporation or trust.

Sec. 11. The provisions of section nine (9) of this Act are effective July 1, 1979, for all conveyances and leases of agricultural land made on or after July 1, 1979.

Approved June 27, 1978

CHAPTER 1080

ESTRAYS AND TRESPASSING ANIMALS

H. F. 2022

AN ACT relating to changes allowed for keeping estrays and trespassing animals.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section one hundred eighty-eight point forty-eight (188.48), subsections one (1), two (2), three (3), four (4), and six (6), Code 1977, are amended to read as follows:

1. For distraining all animals except as otherwise provided, ~~fifty-cents~~ two dollars for each head ~~not-exceeding two-and-twenty-five-cents-for-each-additional-head~~ taken on one distraint.
2. For distraining each stallion, jack, bull, boar, or buck, ~~one-dollar~~ two dollars.
3. For keeping horses, cattle, mules, and asses, ~~fifty cents~~ two dollars a day, from the time the same is taken up.
4. For keeping any other animals, ~~twenty-five-cents~~ two dollars a day from the time the same is taken up.
6. For taking up as an estray ~~one~~ two dollars a head, ~~fifty-cents-and-twenty-five-cents-for-each-additional-head~~ at-one-time.

Approved April 21, 1978