

How. Ag 4/23 Do pass 5/31 (1154)

FILED MAR 15 1977

SENATE FILE 231

By COMMITTEE ON AGRICULTURE

Passed Senate, Date 3-21-77 (p. 714) Passed House, Date 4-5-77 (p. 1423)

Vote: Ayes 44 Nays 5 Vote: Ayes 93 Nays 0

Approved May 12, 1977

*Proposed Senate was amended by House of Representatives p. 1242 - in S. H.R. (1425)
4-22-77 (p. 1149)
4.3-3*

A BILL FOR

1 An Act providing for an extension of the moratorium for
2 acquiring agricultural land to trusts, family trusts,
3 authorized trusts, testamentary trusts and nonprofit
4 corporations, and relating to information and reports
5 required to be made under chapter one hundred seventy-
6 two C (172C) of the Code.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SENATE FILE 231

S-3194

1 Amend Senate File 231 as follows:
2 Page 2, line 14, by striking the word "divising"
3 and inserting in lieu thereof the word "devising".

S-3194 FILED & ADOPTED (p. 114) BY PHILIP B. HILL
MARCH 21, 1977

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1 Section 1. Section one hundred seventy-two C point one
2 (172C.1), subsections one (1) and seven (7), Code 1977, are
3 amended to read as follows:

4 1. "Corporation" means a domestic or foreign corpora-
5 tion ~~as defined in chapter 494, 496A, 497, 498, 499, 504 and~~
6 ~~504A which owns or leases agricultural land or is engaged~~
7 in farming and includes a nonprofit corporation and co-
8 operatives.

9 7. "Fiduciary capacity" means an undertaking to act ~~alone~~
10 ~~or jointly~~ as trustee, executor, administrator, personal
11 representative, agent, guardian, conservator, or receiver,
12 escrow agent, ~~attorney-in-fact and any other similar capacity.~~

13 Sec. 2. Section one hundred seventy-two C point one
14 (172C.1), Code 1977, is amended by adding the following new
15 subsections:

16 NEW SUBSECTION. 10. "Trust" means a fiduciary relation-
17 ship with respect to property, subjecting the person by whom
18 the property is held to equitable duties to deal with the
19 property for the benefit of another person, which arises as
20 a result of a manifestation of an intention to create it.
21 Trust does not include a person acting in a fiduciary capacity,
22 as defined in subsection seven (7) of this section. A trust
23 includes a legal entity holding property as trustee, agent,
24 escrow agent, attorney-in-fact, and in any similar capacity.

25 NEW SUBSECTION. 11. "Family trust" means a trust:

- 26 a. In which a majority interest in the trust is held by
27 and the majority of the beneficiaries are persons related
28 to each other as spouse, parent, grandparent, lineal
29 ascendants of grandparents or their spouses and other lineal
30 descendants of the grandparents or their spouses, or persons
31 acting in a fiduciary capacity for persons so related; and
32 b. In which all the beneficiaries are natural persons,
33 who are not acting as a trustee or in a similar capacity for
34 a trust, as defined in subsection ten (10) of this section,
35 or persons acting in a fiduciary capacity, or nonprofit

1 corporations.

2 NEW SUBSECTION. 12. "Authorized trust" means a trust
3 other than a family trust in which:

4 a. The beneficiaries do not exceed twenty-five in number;
5 and

6 b. The beneficiaries are all natural persons, who are
7 not acting as a trustee or in a similar capacity for a trust
8 as defined in subsection ten (10) of this section, or persons
9 acting in a fiduciary capacity, or nonprofit corporations;
10 and

11 c. Its income is not exempt from taxation under the laws
12 of either the United States or the state of Iowa.

13 NEW SUBSECTION. 13. "Testamentary trust" means a trust
14 created by divising or bequeathing property in trust in a
15 will as such terms are used in the Iowa probate code.

16 NEW SUBSECTION. 14. Nonprofit corporation means:

17 a. Corporations organized under the provisions of chapter
18 five hundred four (504) or five hundred four A (504A) of the
19 Code; or

20 b. Corporations which qualify under title twenty-six (26),
21 section five hundred one (501), c, three (3) of the United
22 States Code.

23 Sec. 3. Section one hundred seventy-two C point four
24 (172C.4), unnumbered paragraph one (1), Code 1977, is amended
25 to read as follows:

26 For a period of three years from August 15, 1975 no corpora-
27 tion or trust, other than a family farm corporation, ~~or an~~
28 authorized farm corporation, family trust, authorized trust
29 or testamentary trust shall, either directly or indirectly,
30 acquire or otherwise obtain or lease any ~~additional~~
31 agricultural land in this state. However, the restrictions
32 provided in this section shall not apply to the following:

33 Sec. 4. Section one hundred seventy-two C point four
34 (172C.4), subsection three (3), Code 1977, is amended to read
35 as follows:

1 3. Agricultural land acquired by a nonprofit corporation
2 ~~organized under the provisions of chapters 504 and 504A.~~

3 Sec. 5. Section one hundred seventy-two C point four
4 (172C.4), subsection seven (7), Code 1977, is amended to read
5 as follows:

6 7. Agricultural land which is acquired by a trust company
7 or bank in a fiduciary capacity ~~for the benefit of natural~~
8 persons or as trustee for a family trust, authorized trust
9 or testamentary trust or for nonprofit corporations.

10 Sec. 6. Section one hundred seventy-two C point four
11 (172C.4), Code 1977, is amended by adding the following new
12 subsections:

13 NEW SUBSECTION. 9. Agricultural land held or leased by
14 a corporation on July 1, 1975, as long as the corporation
15 holding or leasing the land on this date continues to hold
16 or lease such agricultural land.

17 NEW SUBSECTION. 10. Agricultural land held or leased
18 by a trust on July 1, 1977, as long as the trust holding or
19 leasing such land on this date continues to hold or lease
20 such agricultural land.

21 Sec. 7. Section one hundred seventy-two C point five
22 (172C.5), unnumbered paragraph one (1), Code 1977, is amended
23 to read as follows:

24 All corporations, ~~except where the corporation is acting~~
25 ~~in a fiduciary capacity,~~ which own or lease agricultural land
26 in the state of Iowa, or which own or lease any land on which
27 poultry or livestock are confined for feeding or other purposes
28 for ten days or more, or which contract for keeping and feeding
29 poultry or livestock, or which contract for the growing of
30 agricultural crops, fruits or other horticultural products
31 in the state of Iowa, shall file with their annual report,
32 on forms approved pursuant to the provisions of chapter 17A
33 and supplied by the secretary of state, the following
34 ~~additional~~ information, unless otherwise provided:

35 Sec. 8. Section one hundred seventy-two C point seven

1 (172C.7), unnumbered paragraph one (1), Code 1977, is amended
2 to read as follows:

3 Every person acting in a fiduciary capacity or as a trustee
4 on behalf of any corporation, limited partnership or
5 nonresident alien individual, who holds agricultural land
6 in this state outside the corporate limits of any city, shall
7 file with the secretary of state on or before January 31
8 thirty-first of each year a report as follows:

9 Sec. 9. Section one hundred seventy-two C point seven
10 (172C.7), subsection one (1), unnumbered paragraph one (1),
11 Code 1977, is amended to read as follows:

12 If acting in a fiduciary capacity or as a trustee for a
13 corporation:

14 Sec. 10. Section one hundred seventy-two C point seven
15 (172C.7), subsection one (1), paragraph c, Code 1977, is
16 amended to read as follows:

17 c. The acreage and location of the land owned in such
18 fiduciary or trustee capacity listed by township and county
19 on December 31 thirty-first of the year reported.

20 Sec. 11. Section one hundred seventy-two C point seven
21 (172C.7), subsection two (2), unnumbered paragraph one (1),
22 Code 1977, is amended to read as follows:

23 If acting in a fiduciary capacity or as a trustee for a
24 limited partnership:

25 Sec. 12. Section one hundred seventy-two C point seven
26 (172C.7), subsection two (2), paragraph c, Code 1977, is
27 amended to read as follows:

28 c. The acreage and location of the land owned in such
29 fiduciary or trustee capacity listed by township and county
30 on December 31 thirty-first of the year reported.

31 Sec. 13. Section one hundred seventy-two C point seven
32 (172C.7), subsection three (3), unnumbered paragraph one (1),
33 Code 1977, is amended to read as follows:

34 If acting in a fiduciary capacity or as a trustee for a
35 nonresident alien:

1 Sec. 14. Section one hundred seventy-two C point seven
2 (172C.7), subsection three (3), paragraph b, Code 1977, is
3 amended to read as follows:

4 b. The acreage and location of the land owned in such
5 fiduciary or trustee capacity listed by township and county
6 on December 31 thirty-first of the year reported.

7 Sec. 15. Section one hundred seventy-two C point eight
8 (172C.8), subsections one (1), two (2), and three (3), are
9 amended to read as follows:

10 1. Any corporation identified as a beneficiary in a report
11 filed with the secretary of state pursuant to section 172C.7,
12 subsection 1, shall file with the secretary of state on or
13 before March 31 thirty-first of each year, on forms supplied
14 by the secretary of state, a report containing the information
15 set forth in section 172C.5, with respect to land owned by
16 a fiduciary or trustee on behalf of the corporation.

17 2. Any limited partnership identified as a beneficiary
18 in a report filed with the secretary of state pursuant to
19 section 172C.7, subsection 2, shall file with the secretary
20 of state on or before March 31 thirty-first of each year,
21 on forms supplied by the secretary of state, a report con-
22 taining the information set forth in section 172C.6, with
23 respect to land owned by a fiduciary or trustee on behalf
24 of the limited partnership.

25 3. Any nonresident alien identified as a beneficiary in
26 a report filed with the secretary of state pursuant to section
27 172C.7, subsection 3, shall file with the secretary of state
28 on or before March 31 thirty-first of each year on forms
29 supplied by the secretary of state, a report containing the
30 information set forth in section 567.9, with respect to land
31 owned by a fiduciary or trustee on behalf of the nonresident
32 alien.

33 Sec. 16. Section one hundred seventy-two C point twelve
34 (172C.12), Code 1977, is amended to read as follows:

35 172C.12 COUNTY ASSESSOR'S REPORT. The county assessor

1 shall forward to the secretary of state, by October 4 first
 2 of each year, the name and address of every corporation,
 3 nonresident alien, and trust or other business entity owning
 4 agricultural land in the county as shown by the assessment
 5 rolls of the county.

6 Sec. 17. Section four hundred ninety-six point one (496.1),
 7 unnumbered paragraph one (1), Code 1977, is amended to read
 8 as follows:

9 Any corporation, organized under the laws of this state
 10 or under the laws of any other state, territory, or any foreign
 11 country, which has complied with the laws of this state
 12 relating to the organization of corporations and secured a
 13 certificate of incorporation or permit to transact business
 14 in this state, and any corporation that may hereafter organize
 15 and become incorporated under the laws of this state, and
 16 shall secure a certificate of incorporation or permit to
 17 transact business in this state, and any foreign corporation
 18 that may hereafter comply with the laws of this state relating
 19 to foreign corporations and secure a permit to transact
 20 business within this state, shall ~~between the first day of~~
 21 ~~July and the first day of August of each year,~~ make an annual
 22 report to the secretary of state, ~~said report to.~~ The report
 23 shall be made between the first day of July and the first
 24 day of August of each year, however corporations required
 25 to make any report under chapter one hundred seventy-two C
 26 (172C) of the Code shall make those reports between the first
 27 day of January and the thirty-first day of March of each year.
 28 The report shall be in such form as he the secretary of state
 29 may prescribe, upon a blank to be prepared ~~by him~~ for that
 30 purpose, and such report shall contain the following
 31 information:

32 EXPLANATION

33 This bill places trusts under the moratorium provision
 34 of chapter one hundred seventy-two C (172C) of the Code for
 35 acquiring land, and makes technical clarifying changes. The

1 bill changes the definition of corporation and fiduciary ca-
2 pacity and adds definitions of trust, family trust, authorized
3 trust, testamentary trusts and nonprofit corporations.
4 This bill clarifies reporting requirements under chapter
5 172C of the Code. The dates for reporting by corporations
6 subject to chapter 172C are changed because it will facilitate
7 the consolidation of information submitted in the reports
8 at an earlier date.

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House Amendment to Senate File 231

S-3385

1 Amend Senate File 231 as follows:
2 1. Page 2, line 26, by striking the word
3 "three" and inserting in lieu thereof the words "three
4 five".

S-3385 FILED
APRIL 20, 1977

RECEIVED FROM THE HOUSE
Senate concurred 4/22 (149)

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SENATE FILE 231

H-3485

1 Amend Senate File 231 as follows:
2 1. Page 2, line 26, by striking the word
3 "three" and inserting in lieu thereof the words "three
4 five".

H-3485 FILED *Adopted 4/5*
APRIL 4, 1977 *(p 1222)*

BY PERKINS of Greene
BYERLY of Polk
DAGGETT of Adams
FITZGERALD of Webster
SCHEELHAASE of Woodbury
JESSE of Polk
PELLETT Of Cass

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LSB 998S
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SENATE FILE 231

AN ACT

PROVIDING FOR AN EXTENSION OF THE MORATORIUM FOR ACQUIRING AGRICULTURAL LAND TO TRUSTS, FAMILY TRUSTS, AUTHORIZED TRUSTS, TESTAMENTARY TRUSTS AND NONPROFIT CORPORATIONS, AND RELATING TO INFORMATION AND REPORTS REQUIRED TO BE MADE UNDER CHAPTER ONE HUNDRED SEVENTY-TWO C (172C) OF THE CODE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section one hundred seventy-two C point one (172C.1), subsections one (1) and seven (7), Code 1977, are amended to read as follows:

1. "Corporation" means a domestic or foreign corporation ~~as defined in chapter 497, 496A, 497, 498, 499, 504 and 504A which owns or leases agricultural land or is engaged in farming and includes a nonprofit corporation and co-operatives.~~

7. "Fiduciary capacity" means an undertaking to act ~~alone or jointly~~ as trustee, executor, administrator, personal representative, agent, guardian, conservator, or receiver, ~~escrow agent, attorney-in-fact and any other similar capacity.~~

Sec. 2. Section one hundred seventy-two C point one (172C.1), Code 1977, is amended by adding the following new subsections:

NEW SUBSECTION. 10. "Trust" means a fiduciary relationship with respect to property, subjecting the person by whom the property is held to equitable duties to deal with the property for the benefit of another person, which arises as a result of a manifestation of an intention to create it. Trust does not include a person acting in a fiduciary capacity, as defined in subsection seven (7) of this section. A trust includes a legal entity holding property as trustee, agent,

escrow agent, attorney-in-fact, and in any similar capacity.

NEW SUBSECTION. 11. "Family trust" means a trust:

a. In which a majority interest in the trust is held by and the majority of the beneficiaries are persons related to each other as spouse, parent, grandparent, lineal descendants of grandparents or their spouses and other lineal descendants of the grandparents or their spouses, or persons acting in a fiduciary capacity for persons so related; and

b. In which all the beneficiaries are natural persons, who are not acting as a trustee or in a similar capacity for a trust, as defined in subsection ten (10) of this section, or persons acting in a fiduciary capacity, or nonprofit corporations.

NEW SUBSECTION. 12. "Authorized trust" means a trust other than a family trust in which:

a. The beneficiaries do not exceed twenty-five in number; and

b. The beneficiaries are all natural persons, who are not acting as a trustee or in a similar capacity for a trust as defined in subsection ten (10) of this section, or persons acting in a fiduciary capacity, or nonprofit corporations; and

c. Its income is not exempt from taxation under the laws of either the United States or the state of Iowa.

NEW SUBSECTION. 13. "Testamentary trust" means a trust created by devising or bequeathing property in trust in a will as such terms are used in the Iowa probate code.

NEW SUBSECTION. 14. Nonprofit corporation means:

a. Corporations organized under the provisions of chapter five hundred four (504) or five hundred four A (504A) of the Code; or

b. Corporations which qualify under title twenty-six (26), section five hundred one (501), c, three (3) of the United States Code.

Sec. 3. Section one hundred seventy-two C point four

(172C.4), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

For a period of three five years from August 15, 1975 no corporation or trust, other than a family farm corporation, ~~or an~~ authorized farm corporation, family trust, authorized trust or testamentary trust shall, either directly or indirectly, acquire or otherwise obtain or lease any ~~additional~~ agricultural land in this state. However, the restrictions provided in this section shall not apply to the following:

Sec. 4. Section one hundred seventy-two C point four (172C.4), subsection three (3), Code 1977, is amended to read as follows:

3. Agricultural land acquired by a nonprofit corporation ~~organized under the provisions of chapters 504 and 504A.~~

Sec. 5. Section one hundred seventy-two C point four (172C.4), subsection seven (7), Code 1977, is amended to read as follows:

7. Agricultural land which is acquired by a trust company or bank in a fiduciary capacity ~~for the benefit of natural persons~~ or as trustee for a family trust, authorized trust or testamentary trust or for nonprofit corporations.

Sec. 6. Section one hundred seventy-two C point four (172C.4), Code 1977, is amended by adding the following new subsections:

NEW SUBSECTION. 9. Agricultural land held or leased by a corporation on July 1, 1975, as long as the corporation holding or leasing the land on this date continues to hold or lease such agricultural land.

NEW SUBSECTION. 10. Agricultural land held or leased by a trust on July 1, 1977, as long as the trust holding or leasing such land on this date continues to hold or lease such agricultural land.

Sec. 7. Section one hundred seventy-two C point five (172C.5), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

All corporations, ~~except where the corporation is acting in a fiduciary capacity,~~ which own or lease agricultural land in the state of Iowa, or which own or lease any land on which poultry or livestock are confined for feeding or other purposes for ten days or more, or which contract for keeping and feeding poultry or livestock, or which contract for the growing of agricultural crops, fruits or other horticultural products in the state of Iowa, shall file with their annual report, on forms approved pursuant to the provisions of chapter 17A and supplied by the secretary of state, the following ~~additional~~ information, unless otherwise provided:

Sec. 8. Section one hundred seventy-two C point seven (172C.7), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

Every person acting in a fiduciary capacity or as a trustee on behalf of any corporation, limited partnership or nonresident alien individual, who holds agricultural land in this state outside the corporate limits of any city, shall file with the secretary of state on or before January ~~31~~ thirty-first of each year a report as follows:

Sec. 9. Section one hundred seventy-two C point seven (172C.7), subsection one (1), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

If acting in a fiduciary capacity or as a trustee for a corporation:

Sec. 10. Section one hundred seventy-two C point seven (172C.7), subsection one (1), paragraph c, Code 1977, is amended to read as follows:

c. The acreage and location of the land owned in such fiduciary or trustee capacity listed by township and county on December ~~31~~ thirty-first of the year reported.

Sec. 11. Section one hundred seventy-two C point seven (172C.7), subsection two (2), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

If acting in a fiduciary capacity or as a trustee for a

limited partnership:

Sec. 12. Section one hundred seventy-two C point seven (172C.7), subsection two (2), paragraph c, Code 1977, is amended to read as follows:

c. The acreage and location of the land owned in such fiduciary or trustee capacity listed by township and county on December ~~31~~ thirty-first of the year reported.

Sec. 13. Section one hundred seventy-two C point seven (172C.7), subsection three (3), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

If acting in a fiduciary capacity or as a trustee for a nonresident alien:

Sec. 14. Section one hundred seventy-two C point seven (172C.7), subsection three (3), paragraph b, Code 1977, is amended to read as follows:

b. The acreage and location of the land owned in such fiduciary or trustee capacity listed by township and county on December ~~31~~ thirty-first of the year reported.

Sec. 15. Section one hundred seventy-two C point eight (172C.8), subsections one (1), two (2), and three (3), Code 1977, are amended to read as follows:

1. Any corporation identified as a beneficiary in a report filed with the secretary of state pursuant to section 172C.7, subsection 1, shall file with the secretary of state on or before March ~~31~~ thirty-first of each year, on forms supplied by the secretary of state, a report containing the information set forth in section 172C.5, with respect to land owned by a fiduciary or trustee on behalf of the corporation.

2. Any limited partnership identified as a beneficiary in a report filed with the secretary of state pursuant to section 172C.7, subsection 2, shall file with the secretary of state on or before March ~~31~~ thirty-first of each year, on forms supplied by the secretary of state, a report containing the information set forth in section 172C.6, with respect to land owned by a fiduciary or trustee on behalf

of the limited partnership.

3. Any nonresident alien identified as a beneficiary in a report filed with the secretary of state pursuant to section 172C.7, subsection 3, shall file with the secretary of state on or before March ~~31~~ thirty-first of each year on forms supplied by the secretary of state, a report containing the information set forth in section 567.9, with respect to land owned by a fiduciary or trustee on behalf of the nonresident alien.

Sec. 16. Section one hundred seventy-two C point twelve (172C.12), Code 1977, is amended to read as follows:

172C.12 COUNTY ASSESSOR'S REPORT. The county assessor shall forward to the secretary of state, by October ~~4~~ first of each year, the name and address of every corporation, nonresident alien, and trust, ~~or other business entity~~ owning agricultural land in the county as shown by the assessment rolls of the county.

Sec. 17. Section four hundred ninety-six point one (496.1), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

Any corporation, organized under the laws of this state or under the laws of any other state, territory, or any foreign country, which has complied with the laws of this state relating to the organization of corporations and secured a certificate of incorporation or permit to transact business in this state, and any corporation that may hereafter organize and become incorporated under the laws of this state, and shall secure a certificate of incorporation or permit to transact business in this state, and any foreign corporation that may hereafter comply with the laws of this state relating to foreign corporations and secure a permit to transact business within this state, shall, ~~between the first day of July and the first day of August of each year,~~ make an annual report to the secretary of state, ~~said report to.~~ The report shall be made between the first day of July and the first

day of August of each year, however corporations required to make any report under chapter one hundred seventy-two C (172C) of the Code shall make those reports between the first day of January and the thirty-first day of March of each year. The report shall be in such form as ~~he~~ the secretary of state may prescribe, upon a blank to be prepared ~~by-him~~ for that purpose, and such report shall contain the following information:

ARTHUR A. NEU
President of the Senate

DALE M. COCHRAN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 231, Sixty-seventh General Assembly.

STEVEN C. CROSS
Secretary of the Senate

Approved May 12, 1977

ROBERT D. RAY
Governor