

House Amendment 3416

Amendment Text

PAG LIN

1 1 Amend [House File 163](#) as follows:
1 2 #1. Page 1, line 2, by striking the word
1 3 "subsection" and inserting the following:
1 4 "subsections".
1 5 #2. Page 1, by inserting after line 7 the
1 6 following:
1 7 NEW SUBSECTION. 10A. "Farmer" means a person who
1 8 is one of the following:
1 9 a. A person who regularly participates in physical
1 10 labor or the day-to-day management of a farming
1 11 operation and who files a schedule F as part of the
1 12 person's annual form 1040 filing with the United
1 13 States internal revenue service.
1 14 b. A person who qualified under paragraph "a" for
1 15 twenty or more years in the past."
1 16 #3. Page 1, by inserting after line 30, the
1 17 following:
1 18 "Sec. ____ Section [9H.5](#), Code 1995, is amended by
1 19 adding the following new subsection:
1 20 NEW SUBSECTION. 2A. If a person who is a
1 21 stockholder of an authorized farm corporation, a
1 22 member of an authorized limited liability company, a
1 23 beneficiary of an authorized trust, or a limited
1 24 partner of a limited partnership proposes to transfer
1 25 an interest in the authorized entity to a person other
1 26 than a farmer stockholder, a farmer member, a farmer
1 27 beneficiary, or a farmer limited partner, the
1 28 transferor must first offer to sell or dispose of the
1 29 interest to each of the farmer stockholders, farmer
1 30 members, farmer beneficiaries, or farmer limited
1 31 partners on the same terms and at the same price as
1 32 proposed to the person who is not a farmer
1 33 stockholder, farmer member, farmer beneficiary, or
1 34 farmer limited partner. Each farmer stockholder,
1 35 farmer member, farmer beneficiary, or farmer limited
1 36 partner shall have ten business days after being given
1 37 notice of the terms and price of the proposed transfer
1 38 in which to exercise the right to purchase the
1 39 interest by submitting a binding offer to the
1 40 transferor on the same terms as the proposed transfer,
1 41 with execution of the transfer to occur within thirty
1 42 days after the offer unless otherwise agreed by the
1 43 parties. If more than one farmer stockholder, farmer
1 44 member, farmer beneficiary, or farmer limited partner
1 45 exercises the right to purchase the interest, the
1 46 transferor shall transfer the interest according to
1 47 terms negotiated between the parties. After the
1 48 expiration of either the period for offer or the
1 49 period for execution without the submission of an
1 50 offer or an execution, the transferor may sell or
2 1 otherwise dispose of the interest to any other person
2 2 on the terms upon which it was offered to the farmer
2 3 stockholders, farmer members, farmer beneficiaries, or
2 4 farmer limited partners. However, this subsection
2 5 shall not apply to a transfer of an interest between
2 6 persons related to each other as spouse, parent,
2 7 grandparent, lineal ascendants of grandparents or

2 8 their spouses and other lineal descendants of the
2 9 grandparents or their spouses or persons acting in a
2 10 fiduciary capacity for persons so related."
2 11 #4. By renumbering as necessary.
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2 14 _____
2 15 [MUNDIE](#) of Webster
2 16 [HF 163](#).702 76
2 17 da/sc