

# House Amendment 1806

## Amendment Text

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1 1 Amend [House File 726](#) as follows:  
1 2 #1. Page 1, by inserting after line 2 the  
1 3 following:  
1 4 "Sec. \_\_\_\_\_. Section [9H.1](#), Code 1997, is amended by  
1 5 adding the following new subsection:  
1 6 **NEW SUBSECTION.** 2A. "Authorized entity" means an  
1 7 authorized farm corporation; authorized trust;  
1 8 authorized limited liability company; or limited  
1 9 partnership, other than a family farm limited  
1 10 partnership, which owns or leases agricultural land.  
1 11 Sec. \_\_\_\_\_. Section [9H.5](#), subsection 2, Code 1997,  
1 12 is amended by striking the subsection and inserting in  
1 13 lieu thereof the following:  
1 14 2. a. A person who holds an interest in an  
1 15 authorized entity shall not hold an interest in  
1 16 another authorized entity, if all authorized entities  
1 17 in which the person would hold an interest own or  
1 18 lease a combined total of more than one thousand five  
1 19 hundred acres of agricultural land. If a person holds  
1 20 an interest in more than one authorized entity, all  
1 21 authorized entities in which the person holds an  
1 22 interest shall not own or lease a combined total of  
1 23 more than one thousand five hundred acres of  
1 24 agricultural land.  
1 25 b. As used in this section, an interest in an  
1 26 authorized entity means holding an interest as any of  
1 27 the following:  
1 28 (1) A stockholder of an authorized farm  
1 29 corporation.  
1 30 (2) A beneficiary of an authorized trust.  
1 31 (3) A limited partner in a limited partnership  
1 32 which owns or leases agricultural land, other than a  
1 33 family farm limited partnership.  
1 34 (4) A member of an authorized limited liability  
1 35 company.  
1 36 c. This subsection shall not apply to the extent  
1 37 that an interest in an authorized entity was held on  
1 38 or before July 1, 1988.  
1 39 Sec. \_\_\_\_\_. Section [9H.5](#), subsection 3, paragraph a,  
1 40 Code 1997, is amended to read as follows:  
1 41 a. An authorized farm corporation, authorized  
1 42 trust, authorized limited liability company, or  
1 43 limited partnership violating this section shall be  
1 44 assessed a civil penalty of not more than twenty-five  
1 45 thousand dollars and shall divest itself of any land  
1 46 held in violation of this section within one year  
1 47 after judgment. A civil penalty of not more than one  
1 48 thousand dollars may be imposed on a person who  
1 49

~~— becomes~~

~~— holds an interest in an authorized entity by~~

1 50 being a stockholder of an authorized farm corporation,  
2 1 beneficiary of an authorized trust, member of an  
2 2 authorized limited liability company, or limited  
2 3 partner in a limited partnership in violation of this  
2 4 section. The person shall divest the interest held by

2 5 the person in the corporation, trust, limited  
2 6 liability company, or limited partnership to comply  
2 7 with this section. The court may determine the method  
2 8 of divesting an interest held by a person found to be  
2 9 in violation of this chapter. A financial gain  
2 10 realized by a person who disposes of an interest held  
2 11 in violation of this chapter shall be forfeited to the  
2 12 state's general fund. All court costs and fees shall  
2 13 be paid by the person holding the interest in  
2 14 violation of this chapter."

2 15 #2. By renumbering as necessary.

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