

Agriculture: Tyrrell, Chair; Van Maanen and Halvorson of Webster.

JAN 25 1979

HOUSE FILE 148

Agriculture Do pass per 3246 3/1 (p. 729)

By DAGGETT, HINKHOUSE,
PELLETT and COCHRAN

Passed House, Date 3-9-79 (p. 862) Passed Senate, Date _____

Vote: Ayes 24 Nays 0 Vote: Ayes _____ Nays _____

Approved June 10, 1979

A BILL FOR

1 An Act relating to the ownership of land by nonresident
2 aliens and providing penalties.

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

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1 Section 1. Chapter five hundred sixty-seven (567), Code
2 1979, is amended by striking the chapter and inserting in
3 lieu thereof sections two (2) through nine (9) of this Act.

4 Sec. 2. NEW SECTION. DEFINITIONS. For the purpose of
5 this chapter:

6 1. "Agricultural land" means land suitable for use in
7 farming.

8 2. "Nonresident alien" means an individual who is not
9 a citizen of the United States and who has not been classified
10 as a resident alien by the United States immigration and
11 naturalization service.

12 3. "Farming" means the cultivation of land for the
13 production of agricultural crops, the raising of poultry,
14 the production of eggs, the production of milk, the production
15 of fruit or other horticultural crops, grazing or the
16 production of livestock. Farming includes the production
17 of timber, forest products, nursery products, or sod. Farming
18 does not include a contract where a processor or distributor
19 of farm products or supplies provides spraying, harvesting
20 or other farm services.

21 4. "Foreign business" means a corporation incorporated
22 under the laws of a foreign country, or a business entity
23 whether or not incorporated, in which a majority interest
24 is owned directly or indirectly by nonresident aliens. Legal
25 entities, including but not limited to trusts, holding
26 companies, multiple corporations and other business
27 arrangements, do not affect the determination of ownership
28 or control of a foreign business.

29 5. "Foreign government" means a government other than
30 the government of the United States, its states, territories
31 or possessions.

32 Sec. 3. NEW SECTION. ALIEN RIGHTS. A nonresident alien,
33 foreign business or foreign government may acquire, by grant,
34 purchase, devise or descent, real property, except agricultural
35 land or any interest in agricultural land in this state, and

1 may own, hold, devise or alienate the real property, and shall
2 incur the same duties and liabilities in relation thereto
3 as a citizen and resident of the United States.

4 Sec. 4. NEW SECTION. RESTRICTION ON AGRICULTURAL LAND
5 HOLDINGS.

6 1. A nonresident alien, foreign business or foreign
7 government, or an agent, trustee or fiduciary thereof, shall
8 not purchase or otherwise acquire agricultural land in this
9 state. A nonresident alien, foreign business or foreign
10 government, or an agent, trustee or fiduciary thereof, which
11 owns or holds agricultural land in this state on the effective
12 date of this Act may continue to own or hold the land, but
13 shall not purchase or otherwise acquire additional agricultural
14 land in this state.

15 2. A person who acquires agricultural land in violation
3347-16 of this Act remains in violation of this Act for as long as
17 the person holds an interest in the land.

3347-18 3. The restrictions set forth in this section do not apply
3349-19 to agricultural land or an interest in agricultural land,
20 acquired by a nonresident alien, foreign business or foreign
21 government, or an agent, trustee or fiduciary thereof by
3347-22 devise or descent or acquired for an immediate or potential
3349-23 use other than farming. However, pending the development
24 of the agricultural land for another purpose other than
25 farming, the land shall not be used for farming except under
26 lease to an individual, trust, corporation, partnership or
27 other business entity not subject to the restriction on the
28 increase in agricultural land holdings imposed by section
3347-29 one hundred seventy-two C point four (172C.4) of the Code.

3246-30 Sec. 5. NEW SECTION. LAND ACQUIRED BY DEVISE OR DESCENT.

31 A nonresident alien, foreign business or foreign government,
32 or an agent, trustee or fiduciary thereof, which acquires
33 agricultural land or an interest in agricultural land, by
34 devise or descent after the effective date of this Act shall
35 divest itself of all right, title and interest in the land

1 within two years from the date of acquiring the land or
2 interest.

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3246-

3 Sec. 6. NEW SECTION. REGISTRATION. A nonresident alien,
4 foreign business or foreign government, or an agent, trustee
5 or fiduciary thereof, which owns an interest in agricultural
6 land within this state on or after the effective date of this
7 Act shall register the agricultural land with the secretary
8 of state. The registration shall be made within sixty days
9 after the effective date of this Act or within sixty days
10 after acquiring the land or the interest in land, whichever
11 time is the later. The registration shall be in the form
12 and manner prescribed by the secretary and shall contain the
13 name of the owner and the location and number of acres of
14 the agricultural land by township and county. If the owner
15 of the agricultural land or owner of the interest in
16 agricultural land is an agent, trustee or fiduciary of a
17 nonresident alien, foreign business or foreign government,
18 the registration shall also include the name of any principal
19 for whom that land, or interest in that land was purchased
20 as agent.

3246-

21 Sec. 7. NEW SECTION. ENFORCEMENT.

22 1. If the secretary of state finds that a nonresident
23 alien, foreign business, foreign government, or an agent,
24 trustee, or other fiduciary thereof, has acquired or holds
25 title to or interest in agricultural land in this state in
26 violation of this Act or has failed to timely register as
27 required under section six (6) of this Act, the secretary
28 shall report the violation to the attorney general.

3246-

29 2. Upon receipt of the report from the secretary of state,
30 the attorney general shall initiate an action in the district
31 court of any county in which the land is located.

32 3. The attorney general shall file a notice of the pendency
33 of the action with the recorder of deeds of each county in
34 which any of the land is located. If the court finds that
35 the land in question has been acquired or held in violation

1 of this Act or the required registration has not been timely
 2 filed, it shall enter an order so declaring and shall file
 3 a copy of the order with the recorder of deeds of each county
 4 in which any portion of the land is located.

3246-5 Sec. 8. NEW SECTION. ESCHEAT. If the court finds that
 6 the land in question has been acquired in violation of this
 3347-7 Act, the court shall declare the land escheated to the state.
 8 When escheat is decreed by the court, the clerk of court shall
 9 notify the governor that the title to the real estate is
 10 vested in the state by decree of the court. Any real estate,
 11 the title to which is acquired by the state under the
 12 provisions of this Act, shall be sold in the manner provided
 13 by law for the foreclosure of a mortgage on real estate for
 14 default of payment, the proceeds of the sale shall be used
 15 to pay court costs, and the remaining funds, if any, shall
 16 be paid to the person divested of the property but only in
 17 an amount not exceeding the actual cost paid by the person
 18 for that property. Proceeds remaining after the payment of
 19 court costs and the payment to the person divested of the
 20 property shall become a part of the general fund of the county
 21 or counties in which the land is located, in proportion to
 22 the part of the land in each county.

3246-23 Sec. 9. NEW SECTION. PENALTY--FAILURE TO TIMELY FILE.
 24 A nonresident alien, foreign business or foreign government,
 3246 {25 or an agent, trustee or other fiduciary thereof, which fails
 26 to timely file the required registration under this Act shall
 27 be punished by a fine of not more than two thousand dollars.

28 Sec. 10. Sections four hundred ninety-one point sixty-
 29 seven (491.67) and five hundred eighty-nine point seven
 30 (589.7), Code 1979, are repealed.

31 Sec. 11. This Act is effective January first following
 32 its enactment.

33 EXPLANATION

34 The bill repeals chapter 567 of the Code, dealing with
 35 the rights of aliens, and replaces the chapter with the bill's

1 provisions.

2 The bill provides that nonresident aliens, foreign
3 businesses or foreign governments may acquire and hold real
4 property in the state without special restrictions, except
5 "land suitable for use in farming".

6 Under the bill, nonresident aliens, foreign businesses,
7 or foreign governments may not acquire or hold an interest
8 in agricultural land in the state. However, land held on
9 the effective date of the bill may be retained. Likewise,
10 the bill's prohibition on ownership does not apply to
11 agricultural land acquired by inheritance or land acquired
12 for an immediate or potential use other than farming.
13 Permitted holdings must be registered.

14 The attorney general is directed to bring action against
15 violators, who may be fined up to \$2000 and have the land
16 in question escheat to the state.

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HOUSE FILE 148

H-3356

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26 Amend the amendment H-3349 to House File 148 as
27 follows:
28 1. Page 1, lines 3 and 4, by striking the words
29 "one hundred sixty" and inserting in lieu thereof
30 the words "three hundred twenty".
31 2. Page 1, line 9, by striking the words "one
32 hundred sixty" and inserting in lieu thereof the words
33 "three hundred twenty".

H-3356 FILED *Adopted 3/9 (p. 861)* BY BYERLY of Polk
MARCH 8, 1979

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HOUSE FILE 148

H-3347

- 1 Amend House File 148 as follows:
- 2 1. Page 2, by striking line 16 and inserting in
- 3 lieu thereof the following: "of this Act or who fails
- 4 to convert the land to the purpose other than farming
- 5 within five years as provided for in this Act, remains
- 6 in violation of this Act for as long as".
- 7 2. Page 2, by striking line 18 and inserting in
- 8 lieu thereof the following:
- 9 "3. The restriction set forth in subsection one
- 10 (1) of this section does not apply".
- 11 3. Page 2, line 22, by striking the word
- 12 "potential" and inserting in lieu thereof the word
- 13 "pending".
- 14 4. Page 2, by inserting after line 29 the
- 15 following:
- 16 "4. A nonresident alien, foreign business or
- 17 foreign government, or an agent, trustee or fiduciary
- 18 thereof shall not transfer title to or interest in
- 19 agricultural land to a nonresident alien, foreign
- 20 business or foreign government, or an agent, trustee
- 21 or fiduciary thereof except by devise or descent."
- 22 5. Page 4, line 7, by inserting after the word
- 23 "Act" the following: "or that the land has not been
- 24 converted to the purpose other than farming within
- 25 five years as provided for in this Act".

H-3347 FILED *Adopted 3/9 (p. 861)*
MARCH 7, 1979

BY EVANS of Grundy
PERKINS of Greene
PELLETT of Cass
HUSAK of Tama
TYRRELL of Iowa

HOUSE FILE 148

H-3349

- 1 Amend House File 148 as follows:
- 2 1. Page 2, line 19, by inserting after the word
- 3 *3356* "land," the following: "not to exceed one hundred
- 4 sixty acres,".
- 5 2. Page 2, line 23, by striking the word "pending"
- 6 and inserting in lieu thereof the following: "a
- 7 nonresident alien, foreign business or foreign
- 8 government, or an agent, trustee or fiduciary thereof,
- 9 *3356* - who lawfully owns over one hundred sixty acres on
- 10 the effective date of this Act, may continue to own
- 11 or hold the land, but shall not purchase or otherwise
- 12 acquire additional agricultural land in this state.
- 13 Pending".

H-3349 FILED *Adopted as amended*
MARCH 7, 1979 *by 3356 3/9 (p. 861)*

BY BYERLY of Polk

1 Amend the amendment H-3246 to House File 148 as
 2 follows:
 3 1. Page 1, line 14, by inserting after the word
 4 "land." the following: "Notwithstanding section four
 5 hundred twenty-two point seven (422.7) of the Code, if
 6 this land is sold or transferred within five years
 7 after its acquisition but prior to the commencement of
 8 converting the land to the purpose other than farming,
 9 the amount of capital gain realized on the sale or
 10 transfer shall be to the extent the gain was excluded
 11 from the computation of the taxpayer's adjusted gross
 12 income under the Internal Revenue Code of 1954."

H-3325 FILED *Revised not germane 3/6 (p. 792)* BY PERKINS of Greene
 MARCH 6, 1979

HOUSE FILE 148

H-3338

1 Amend House File 148, page 1, line 10 by
 2 inserting after the word "a" the word "permanent".

H-3338 FILED *Adopted 3/9 (p. 860)* BY Perkins of Greene
 MARCH 7, 1979 Evans of Grundy
 Tyrrell of Iowa

HOUSE FILE 148

H-3346

1 Amend the amendment H-3246 to House File 148 as
 2 follows:
 3 1. Page 1, by striking lines 10 and 11 and
 4 inserting in lieu thereof the following: "or pending
 5 use other than farming, shall convert the land to
 6 the purpose other than farming,".
 7 2. Page 1, line 26, by striking the word
 8 "potential" and inserting in lieu thereof the word
 9 "pending".
 10 3. Page 1, line 43, by striking the word
 11 "potential" and inserting in lieu thereof the word
 12 "pending".
 13 4. Page 1, line 45, by inserting after the word
 14 "acquired" the following: "and the status of the
 15 land's development for the purpose other than farming".

H-3346 FILED *Adopted 3/9 (p. 860)* BY EVANS of Grundy
 MARCH 7, 1979 PERKINS of Greene
 PELLETT of Cass
 HUSAK of Tama
 TYRRELL of Iowa

HOUSE FILE 148

H-3246

1 Amend House File 148 as follows:

2 1. Page 2, by striking line 30 and inserting in
3 lieu thereof the following:

4 "Sec. 5. NEW SECTION. DEVELOPMENT OF LAND ACQUIRED
5 FOR NONFARMING PURPOSES. Development of the
6 agricultural land which is not subject to the
7 restrictions of section four (4), subsections one
8 (1) and two (2), of this Act because the land or
9 interest in the land was acquired for an immediate
10 or potential use other than farming, shall commence
11 to convert the land to the purpose other than farming,
12 within five years after the acquisition of the
13 agricultural land or the acquisition of the interest
14 in the agricultural land.

15 Sec. 6. NEW SECTION. LAND ACQUIRED BY DEVISE
16 OR DESCENT."

17 2. Page 3, line 3, by striking the figure "6"
18 and inserting in lieu thereof the figure "7".

19 3. Page 3, by striking line 21 and inserting in
20 lieu thereof the following:

21 "Sec. 8. NEW SECTION. REPORTS. A nonresident
22 alien, foreign business or foreign government, or
23 an agent, trustee or fiduciary thereof, who acquires
24 agricultural land not subject to the restrictions
25 of section four (4) of this Act because the land was
26 acquired for an immediate or potential use other than
27 farming, shall file a report with the secretary of
28 state before March thirty-first of each year. The
29 report shall be in the form and manner prescribed
30 by the secretary and shall contain the following:

31 1. The name of the owner of the agricultural land
32 or owner of the interest in the agricultural land.

33 2. If the owner of the agricultural land or
34 interest in agricultural land is an agent, trustee
35 or fiduciary of a nonresident alien, foreign business
36 or foreign government, the name of any principal for
37 whom that land or interest in that land was acquired
38 as agent.

39 3. The location and number of acres of the
40 agricultural land by township and county.

41 4. The date the agricultural land or interest
42 in agricultural land was acquired.

43 5. The immediate or potential use other than
44 farming, for which the agricultural land or interest
45 in agricultural land was acquired.

46 6. The present use of the agricultural land.

47 Sec. 9. NEW SECTION. ENFORCEMENT."

48 4. Page 3, line 27, by inserting after the word
49 "Act" the following words: "or has failed to timely
50 report as required under section eight (8) of this

H-3246

- 1 Act".
- 2 5. Page 4, line 5, by striking the figure "8"
- 3 and inserting in lieu thereof the figure "10".
- 4 6. Page 4, line 23, by striking the figure "9"
- 5 and inserting in lieu thereof the figure "11".
- 6 7. Page 4, by striking lines 25 and 26, and
- 7 inserting in lieu thereof the following: "or an
- 8 agent, trustee or other fiduciary thereof, who fails
- 9 to timely file the registration as required by section
- 10 seven (7) of this Act, or who fails to timely file
- 11 a report required by section eight (8) of this Act
- 12 shall, for each offense,".

H-3246 FILED *Adopted as amended by* BY TYRRELL of Iowa
FEBRUARY 22, 1979 *3346 2/9 (p. 860)*

HOUSE FILE 148

H-3311

- 1 Amend House File 148 as follows:
- 2 1. Page 2, line 22, by striking the words "or
- 3 potential".
- 4 2. Page 2, by striking lines 23 through 29 and
- 5 inserting in lieu thereof the words "use other than
- 6 farming."

H-3311 FILED *Lost 2/6 (p. 790)* BY PERKINS of Greene
MARCH 2, 1979

HOUSE FILE 148

H-3317

- 1 Amend House File 148 as follows:
- 2 1. Page 3, by inserting after line 2 the
- 3 following:
- 4 "Sec. ____ . NEW SECTION. CHANGE OF STATUS--
- 5 DIVESTMENT. A person or business which purchases
- 6 or otherwise acquires agricultural land in this
- 7 state after the effective date of this Act, and
- 8 whose status changes so that it becomes a foreign
- 9 business or nonresident alien subject to this Act,
- 10 shall divest itself of all right, title and interest
- 11 in the land within two years from the date that its
- 12 status changed."
- 13 2. By renumbering as necessary.

H-3317 FILED *Adopted 2/9 (862)* BY DAVITT of Warren
MARCH 5, 1979

To pass per 3331 2/30 (p. 1030)

Agriculture
Tieden, Chairperson
E. Miller
Priebe

HOUSE FILE 148

By DAGGETT, HINKHOUSE,
PELLETT and COCHRAN

(As Amended and Passed by the House)

Passed House, Date 4-30-79 (p. 1922) Passed Senate, Date 4-17-79 (p. 1319)

Vote: Ayes 90 Nays 0 Vote: Ayes 48 Nays 0

Approved June 10, 1979

A BILL FOR

1 An Act relating to the ownership of land by nonresident
2 aliens and providing penalties.

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

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Conference Committee Appointed 5/8
Repre. Iggrell, chair; Cochran; Daggett; Perkins; Van Maanen (p. 2134)
Senators Tieden, chair; Miller of Marshall; Hester, Priebe, Rusk (p. 1587)

Passed per Conference Committee Report
House - May 10, 1979 (p. 2285) Senate 5-10-79 (p. 1662)
95-0 48-0

House Amendments

1 Section 1. Chapter five hundred sixty-seven (567), Code
2 1979, is amended by striking the chapter and inserting in
3 lieu thereof sections two (2) through twelve (12) of this
4 Act.

5 Sec. 2. NEW SECTION. DEFINITIONS. For the purpose of
6 this chapter:

7 1. "Agricultural land" means land suitable for use in
8 farming.

3393 > 9 2. "Nonresident alien" means an individual who is not
10 a citizen of the United States and who has not been classified
11 as a permanent resident alien by the United States immigration
12 and naturalization service.

13 3. "Farming" means the cultivation of land for the
14 production of agricultural crops, the raising of poultry,
15 the production of eggs, the production of milk, the production
16 of fruit or other horticultural crops, grazing or the
17 production of livestock. Farming includes the production
18 of timber, forest products, nursery products, or sod. Farming
19 does not include a contract where a processor or distributor
20 of farm products or supplies provides spraying, harvesting
21 or other farm services.

22 4. "Foreign business" means a corporation incorporated
23 under the laws of a foreign country, or a business entity
24 whether or not incorporated, in which a majority interest
25 is owned directly or indirectly by nonresident aliens. Legal
26 entities, including but not limited to trusts, holding
27 companies, multiple corporations and other business
28 arrangements, do not affect the determination of ownership
29 or control of a foreign business.

30 5. "Foreign government" means a government other than
31 the government of the United States, its states, territories
32 or possessions.

33 Sec. 3. NEW SECTION. ALIEN RIGHTS. A nonresident alien,
34 foreign business or foreign government may acquire, by grant,
35 purchase, devise or descent, real property, except agricultural

1 land or any interest in agricultural land in this state, and
2 may own, hold, devise or alienate the real property, and shall
3 incur the same duties and liabilities in relation thereto
4 as a citizen and resident of the United States.

5 Sec. 4. NEW SECTION. RESTRICTION ON AGRICULTURAL LAND
6 HOLDINGS.

7 1. A nonresident alien, foreign business or foreign
8 government, or an agent, trustee or fiduciary thereof, shall
9 not purchase or otherwise acquire agricultural land in this
10 state. A nonresident alien, foreign business or foreign
11 government, or an agent, trustee or fiduciary thereof, which
12 owns or holds agricultural land in this state on the effective
13 date of this Act may continue to own or hold the land, but
14 shall not purchase or otherwise acquire additional agricultural
15 land in this state.

16 2. A person who acquires agricultural land in violation
17 of this Act or who fails to convert the land to the purpose
18 other than farming within five years as provided for in this
19 Act, remains in violation of this Act for as long as the
20 person holds an interest in the land.

21 3. The restriction set forth in subsection one (1) of
3321-22 this section does not apply to agricultural land or an interest
23 in agricultural land, not to exceed three hundred twenty
24 acres, acquired by a nonresident alien, foreign business or
25 foreign government, or an agent, trustee or fiduciary thereof
3321-26 by devise or descent or acquired for an immediate or pending
27 use other than farming. However, a nonresident alien, foreign
28 business or foreign government, or an agent, trustee or
29 fiduciary thereof, who lawfully owns over three hundred twenty
30 acres on the effective date of this Act, may continue to own
31 or hold the land, but shall not purchase or otherwise acquire
32 additional agricultural land in this state. Pending the
33 development of the agricultural land for another purpose other
34 than farming, the land shall not be used for farming except
35 under lease to an individual, trust, corporation, partnership

1 or other business entity not subject to the restriction on
2 the increase in agricultural land holdings imposed by section
3 one hundred seventy-two C point four (172C.4) of the Code.

4 4. A nonresident alien, foreign business or foreign
5 government, or an agent, trustee or fiduciary thereof shall
6 not transfer title to or interest in agricultural land to
7 a nonresident alien, foreign business or foreign government,
8 or an agent, trustee or fiduciary thereof except by devise
9 or descent.

10 Sec. 5. NEW SECTION. DEVELOPMENT OF LAND ACQUIRED FOR
11 NONFARMING PURPOSES. (Development of the agricultural land
12 which is not subject to the restrictions of section four (4),
13 subsections one (1) and two (2), of this Act because the land
14 or interest in the land was acquired for an immediate or
15 pending use other than farming, shall convert the land to
16 the purpose other than farming, within five years after the
17 acquisition of the agricultural land or the acquisition of
18 the interest in the agricultural land.

19 Sec. 6. NEW SECTION. LAND ACQUIRED BY DEVISE OR DESCENT.
20 A nonresident alien, foreign business or foreign government,
21 or an agent, trustee or fiduciary thereof, which acquires
22 agricultural land or an interest in agricultural land, by
23 devise or descent after the effective date of this Act shall
24 divest itself of all right, title and interest in the land
25 within two years from the date of acquiring the land or
26 interest.

27 Sec. 7. NEW SECTION. CHANGE OF STATUS--DIVESTMENT. A
28 person or business which purchases or otherwise acquires
29 agricultural land in this state after the effective date of
30 this Act, and whose status changes so that it becomes a foreign
31 business or nonresident alien subject to this Act, shall
32 divest itself of all right, title and interest in the land
33 within two years from the date that its status changed.

34 Sec. 8. NEW SECTION. REGISTRATION. A nonresident alien,
35 foreign business or foreign government, or an agent, trustee

1 or fiduciary thereof, which owns an interest in agricultural
2 land within this state on or after the effective date of this
3 Act shall register the agricultural land with the secretary
4 of state. The registration shall be made within sixty days
5 after the effective date of this Act or within sixty days
6 after acquiring the land or the interest in land, whichever
7 time is the later. The registration shall be in the form
8 and manner prescribed by the secretary and shall contain the
9 name of the owner and the location and number of acres of
10 the agricultural land by township and county. If the owner
11 of the agricultural land or owner of the interest in
12 agricultural land is an agent, trustee or fiduciary of a
13 nonresident alien, foreign business or foreign government,
14 the registration shall also include the name of any principal
15 for whom that land, or interest in that land was purchased
16 as agent.

17 Sec. 9. NEW SECTION. REPORTS. A nonresident alien,
18 foreign business or foreign government, or an agent, trustee
19 or fiduciary thereof, who acquires agricultural land not
20 subject to the restrictions of section four (4) of this Act
21 because the land was acquired for an immediate or pending
22 use other than farming, shall file a report with the secretary
23 of state before March thirty-first of each year. The report
24 shall be in the form and manner prescribed by the secretary
25 and shall contain the following:

26 1. The name of the owner of the agricultural land or owner
27 of the interest in the agricultural land.

28 2. If the owner of the agricultural land or interest in
29 agricultural land is an agent, trustee or fiduciary of a
30 nonresident alien, foreign business or foreign government,
31 the name of any principal for whom that land or interest in
32 that land was acquired as agent.

33 3. The location and number of acres of the agricultural
34 land by township and county.

35 4. The date the agricultural land or interest in

1 agricultural land was acquired.

2 5. The immediate or pending use other than farming, for
3 which the agricultural land or interest in agricultural land
4 was acquired and the status of the land's development for
5 the purpose other than farming.

6 6. The present use of the agricultural land.

7 Sec. 10. NEW SECTION. ENFORCEMENT.

8 1. If the secretary of state finds that a nonresident
9 alien, foreign business, foreign government, or an agent,
10 trustee, or other fiduciary thereof, has acquired or holds
11 title to or interest in agricultural land in this state in
12 violation of this Act or has failed to timely register as
13 required under section eight (8) of this Act or has failed
14 to timely report as required under section nine (9) of this
15 Act, the secretary shall report the violation to the attorney
16 general.

17 2. Upon receipt of the report from the secretary of state,
18 the attorney general shall initiate an action in the district
19 court of any county in which the land is located.

20 3. The attorney general shall file a notice of the pendency
21 of the action with the recorder of deeds of each county in
22 which any of the land is located. If the court finds that
23 the land in question has been acquired or held in violation
24 of this Act or the required registration has not been timely
25 filed, it shall enter an order so declaring and shall file
26 a copy of the order with the recorder of deeds of each county
27 in which any portion of the land is located.

28 Sec. 11. NEW SECTION. ESCHEAT. If the court finds that
29 the land in question has been acquired in violation of this
30 Act or that the land has not been converted to the purpose
31 other than farming within five years as provided for in this
32 Act, the court shall declare the land escheated to the state.
33 When escheat is decreed by the court, the clerk of court shall
34 notify the governor that the title to the real estate is
35 vested in the state by decree of the court. Any real estate,

1 the title to which is acquired by the state under the
2 provisions of this Act, shall be sold in the manner provided
3 by law for the foreclosure of a mortgage on real estate for
4 default of payment, the proceeds of the sale shall be used
5 to pay court costs, and the remaining funds, if any, shall
6 be paid to the person divested of the property but only in
7 an amount not exceeding the actual cost paid by the person
8 for that property. Proceeds remaining after the payment of
9 court costs and the payment to the person divested of the
10 property shall become a part of the general fund of the county
11 or counties in which the land is located, in proportion to
12 the part of the land in each county.

13 Sec. 12. NEW SECTION. PENALTY--FAILURE TO TIMELY FILE.
14 A nonresident alien, foreign business or foreign government,
15 or an agent, trustee or other fiduciary thereof, who fails
16 to timely file the registration as required by section eight
17 (8) of this Act, or who fails to timely file a report required
18 by section nine (9) of this Act shall, for each offense,
19 be punished by a fine of not more than two thousand dollars.

3494

20 Sec. 13. Sections four hundred ninety-one point sixty-
21 seven (491.67) and five hundred eighty-nine point seven
22 (589.7), Code 1979, are repealed.

23 Sec. 14. This Act is effective January first following
24 its enactment.

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SENATE AMENDMENT TO
HOUSE FILE 148

H-3990

- 1 Amend House File 148 as amended, passed and
- 2 reprinted by the House as follows:
- 3 1. Page 1, line 8, by inserting after the word
- 4 "farming" the following: ", but does not include
- 5 any oil, gas, coal or other minerals underlying the
- 6 land, any interest in minerals whether acquired by
- 7 lease or otherwise, or any easements acquired in
- 8 connection with the transportation of minerals or
- 9 their derivatives".
- 10 2. Page 2, line 22, by striking the word "or"
- 11 and inserting in lieu thereof the words "acquired
- 12 by devise or descent nor shall it apply to".
- 13 3. Page 2, line 26, by striking the words "by
- 14 devise or descent or acquired".
- 15 4. Page 2, line 32, by inserting after the word
- 16 "state" the words "except by devise or descent from
- 17 a non-resident alien".
- 18 5. Page 3, line 26, by inserting after the word
- 19 "interest." the words "This section shall not require
- 20 divestment of land acquired by devise or descent from
- 21 a non-resident alien who had acquired the land prior
- 22 to July 1, 1979."
- 23 6. Page 3, line 29, by inserting after the word
- 24 "state" the words "except by devise or descent".

H-3990 FILED
APRIL 19, 1979

RECEIVED FROM THE SENATE
House concurred as amended 4/30 (p. 1922)

HOUSE FILE 148

H-4119

- 1 Amend the Senate amendment H-3990 to House File
- 2 148 as follows:
- 3 1. Page 1, by striking lines 3 through 9.
- 4 2. By renumbering as necessary.

H-4119 FILED *Adopted 4/30 (p. 1921)* BY PERKINS of Greene
APRIL 25, 1979

HOUSE FILE 148

H-4184

- 1 Amend the Senate amendment H-3990, to House File
- 2 148, as amended, passed and reprinted by the House
- 3 as follows:
- 4 1. Page 1, by striking lines 10 through 24.

H-4184 FILED *Adopted 4/30 (p. 1922)* BY TYRRELL of Iowa
APRIL 30, 1979 DAVITT of Warren

1 Amend House File 148, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 6, by inserting after line 19 the following
4 new sections:

5 "Sec. _____. Section four hundred twenty-eight A
6 point one (428A.1), unnumbered paragraph two (2),
7 Code 1979, is amended to read as follows:

8 At the time each deed, instrument, or writing by
9 which any real property in this state shall be granted,
10 assigned, transferred, or otherwise conveyed is
11 presented for recording to the county recorder, a
12 declaration of value signed by at least one of the
13 sellers or one of the buyers or their agents shall
14 be submitted to the county recorder. A declaration
15 of value shall not be required for those instruments
16 described in section 428A.2, subsections 2 to 13.
17 The declaration of value shall state the full
18 consideration paid for the real property transferred.
19 If agricultural land, as defined in section 172C.1,
20 is purchased by a corporation, limited partnership,
21 trust, alien or nonresident alien, ~~that portion of~~
22 the declaration of value ~~which lists~~ shall include
23 the name and address of the buyer, the name and address
24 of the seller, a legal description of the agricultural
25 land, and identifying the buyer as a corporation,
26 limited partnership, trust, alien, or nonresident
27 alien ~~shall be a public record~~. The county recorder
28 shall not record the declaration of value, but shall
29 enter on the declaration of value such information
30 as the director of revenue may require for the
31 production of the sales/assessment ratio study and
32 transmit all declarations of value to the city or
33 county assessor in whose jurisdiction the property
34 is located. The city or county assessor shall enter
35 on the declaration of value such information as the
36 director of revenue may require for the production
37 of the sales/assessment ratio study and transmit all
38 declarations of value to the director of revenue,
39 at such times as directed by the director of revenue.
40 The director of revenue shall, upon receipt of the
41 information required to be filed under the provisions
42 of this chapter by the city or county assessor, send
43 to the office of the secretary of state that part
44 of the declaration of value which is public record.
45 The county recorder shall not retain any copy of a
46 declaration of value for the recorder's records,
47 except that the county recorder shall retain for
48 public inspection a copy of that portion of the
49 declaration of value which is public record.

50 Sec. _____. Section four hundred twenty-eight A
AGE 2 1 point fifteen (428A.15), unnumbered paragraph two
2 (2) and three (3), Code 1979, and amended by striking
3 the unnumbered paragraphs."

HOUSE FILE 148

S-3331

- 1 Amend House File 148 as amended and passed
- 2 by the House as follows:
- 3 1. Page 2, line 22, by striking the word "or"
- 4 and inserting in lieu thereof the words "acquired by
- 5 devise or descent nor shall it apply to".
- 6 2. Page 2, line 26, by striking the words "by
- 7 devise or descent or acquired".
- 8 3. Page 2, line 32, by inserting after the word
- 9 "state" the words "except by devise or descent from a
- 10 non-resident alien".
- 11 4. Page 3, line 26, by inserting after the word
- 12 "interest." the words "This section shall not require
- 13 divestment of land acquired by devise or descent
- 14 from a non-resident alien who had acquired the land
- 15 prior to July 1, 1979."
- 16 5. Page 3, line 29, by inserting after the word
- 17 "state" the words "except by devise or descent".

S-3331 FILED *Adopted 4/17 (p. 1219)*
MARCH 30, 1979

BY COMMITTEE ON AGRICULTURE
IRVIN L. BERGMAN, CHAIRPERSON

HOUSE FILE 148

S-3393

- 1 Amend House File 148, as amended, passed and re-
- 2 printed by the House, as follows:
- 3 1. Page 1, line 8, by inserting after the word
- 4 "farming" the following: ", but does not include
- 5 any oil, gas, coal or other minerals underlying
- 6 the land, any interest in minerals whether acquired
- 7 by lease or otherwise, or any easements acquired in
- 8 connection with the transportation of minerals or
- 9 their derivatives".

S-3393 FILED *Adopted 4/17 (p. 1219)* BY BOB RUSH
APRIL 4, 1979

HOUSE AMENDMENT TO SENATE AMENDMENT
TO HOUSE FILE 148

S-3677

- 1 Amend the Senate amendment H-3990 to House File
- 2 148 as follows:
- 3 1. Page 1, by striking lines 3 through 9.
- 4 2. Page 1, by striking lines 10 through 24.
- 5 3. By renumbering as necessary.

S-3677 FILED
MAY 2, 1979

RECEIVED FROM THE HOUSE
Senate referred to concs 5/4 (p. 1538)
House revisited 5/8 (p. 2135)

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the conference committee appointed to consider the differences between the Senate and House of Representatives on House File 148, as amended, passed and reprinted by the House, a bill for an Act relating to the ownership of land by nonresident aliens and providing penalties, respectfully make the following report:

1. That the House recede from its amendment, S-3677 to the Senate amendment, H-3990.

2. That the Senate recede from its amendment H-3990.

3. That House File 148, as amended, passed and reprinted by the House, be amended as follows:

1. Page 2, line 22, by striking the word "or" and inserting in lieu thereof the words "acquired by devise or descent nor shall it apply to".

2. Page 2, line 26, by striking the words "by devise or descent or acquired".

Page Two (Conference Co. Report on House File 148)

3. Page 2, line 32, by inserting after the word "state" the words "except by devise or descent from a nonresident alien".

4. Page 3, line 26, by inserting after the word "interest." the words "This section shall not require divestment of agricultural land or an interest in agricultural land, acquired by devise or descent from a nonresident alien, if such land or an interest in such land was acquired by any nonresident alien prior to July 1, 1979."

5. Page 3, line 29, by inserting after the word "state" the words "except by devise or descent,".

ON THE PART OF THE SENATE:
DALE L. TIEDEN, Chair
ELIZABETH R. MILLER
JACK W. HESTER
BERL E. PRIEBE

ON THE PART OF THE HOUSE
PHILLIP E. TYRRELL, Chair
DALE M. COCHRAN
HORACE DAGGETT
CARROLL PERKINS
HAROLD VAN MAANEN

FILED MAY 10, 1979
ADOPTED

House adopted 5/10 (p. 2284)
Senate adopted 5/10 (p. 1662)

HOUSE FILE 148

AN ACT
RELATING TO THE OWNERSHIP OF LAND BY NONRESIDENT ALIENS AND
PROVIDING PENALTIES.

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

Section 1. Chapter five hundred sixty-seven (567), Code 1979, is amended by striking the chapter and inserting in lieu thereof sections two (2) through twelve (12) of this Act.

Sec. 2. NEW SECTION. DEFINITIONS. For the purpose of this chapter:

1. "Agricultural land" means land suitable for use in farming.
2. "Nonresident alien" means an individual who is not a citizen of the United States and who has not been classified as a permanent resident alien by the United States immigration and naturalization service.
3. "Farming" means the cultivation of land for the production of agricultural crops, the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops, grazing or the production of livestock. Farming includes the production

of timber, forest products, nursery products, or sod. Farming does not include a contract where a processor or distributor of farm products or supplies provides spraying, harvesting or other farm services.

4. "Foreign business" means a corporation incorporated under the laws of a foreign country, or a business entity whether or not incorporated, in which a majority interest is owned directly or indirectly by nonresident aliens. Legal entities, including but not limited to trusts, holding companies, multiple corporations and other business arrangements, do not affect the determination of ownership or control of a foreign business.

5. "Foreign government" means a government other than the government of the United States, its states, territories or possessions.

Sec. 3. NEW SECTION. ALIEN RIGHTS. A nonresident alien, foreign business or foreign government may acquire, by grant, purchase, devise or descent, real property, except agricultural land or any interest in agricultural land in this state, and may own, hold, devise or alienate the real property, and shall incur the same duties and liabilities in relation thereto as a citizen and resident of the United States.

Sec. 4. NEW SECTION. RESTRICTION ON AGRICULTURAL LAND HOLDINGS.

1. A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, shall not purchase or otherwise acquire agricultural land in this state. A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, which owns or holds agricultural land in this state on the effective date of this Act may continue to own or hold the land, but shall not purchase or otherwise acquire additional agricultural land in this state.

2. A person who acquires agricultural land in violation of this Act or who fails to convert the land to the purpose other than farming within five years as provided for in this Act, remains in violation of this Act for as long as the person holds an interest in the land.

3. The restriction set forth in subsection one (1) of this section does not apply to agricultural land acquired by devise or descent nor shall it apply to an interest in agricultural land, not to exceed three hundred twenty acres, acquired by a nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof for an immediate or pending use other than farming. However, a nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, who lawfully owns over three hundred twenty acres on the effective date of this Act, may continue to own or hold the land, but shall not purchase or otherwise acquire additional agricultural land in this state except by devise or descent from a nonresident alien. Pending the development of the agricultural land for another purpose other than farming, the land shall not be used for farming except under lease to an individual, trust, corporation, partnership or other business entity not subject to the restriction on the increase in agricultural land holdings imposed by section one hundred seventy-two C point four (172C.4) of the Code.

4. A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof shall not transfer title to or interest in agricultural land to a nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof except by devise or descent.

Sec. 5. NEW SECTION. DEVELOPMENT OF LAND ACQUIRED FOR NONFARMING PURPOSES. Development of the agricultural land which is not subject to the restrictions of section four (4), subsections one (1) and two (2), of this Act because the land or interest in the land was acquired for an immediate or pending use other than farming, shall convert the land to the purpose other than farming, within five years after the acquisition of the agricultural land or the acquisition of the interest in the agricultural land.

Sec. 6. NEW SECTION. LAND ACQUIRED BY DEVISE OR DESCENT. A nonresident alien, foreign business or foreign government,

or an agent, trustee or fiduciary thereof, which acquires agricultural land or an interest in agricultural land, by devise or descent after the effective date of this Act shall divest itself of all right, title and interest in the land within two years from the date of acquiring the land or interest. This section shall not require divestment of agricultural land or an interest in agricultural land, acquired by devise or descent from a nonresident alien, if such land or an interest in such land was acquired by any nonresident alien prior to July 1, 1979.

Sec. 7. NEW SECTION. CHANGE OF STATUS--DIVESTMENT. A person or business which purchases or otherwise acquires agricultural land in this state except by devise or descent, after the effective date of this Act, and whose status changes so that it becomes a foreign business or nonresident alien subject to this Act, shall divest itself of all right, title and interest in the land within two years from the date that its status changed.

Sec. 8. NEW SECTION. REGISTRATION. A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, which owns an interest in agricultural land within this state on or after the effective date of this Act shall register the agricultural land with the secretary of state. The registration shall be made within sixty days after the effective date of this Act or within sixty days after acquiring the land or the interest in land, whichever time is the later. The registration shall be in the form and manner prescribed by the secretary and shall contain the name of the owner and the location and number of acres of the agricultural land by township and county. If the owner of the agricultural land or owner of the interest in agricultural land is an agent, trustee or fiduciary of a nonresident alien, foreign business or foreign government, the registration shall also include the name of any principal for whom that land, or interest in that land was purchased as agent.

Sec. 9. NEW SECTION. REPORTS. A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, who acquires agricultural land not subject to the restrictions of section four (4) of this Act because the land was acquired for an immediate or pending use other than farming, shall file a report with the secretary of state before March thirty-first of each year. The report shall be in the form and manner prescribed by the secretary and shall contain the following:

1. The name of the owner of the agricultural land or owner of the interest in the agricultural land.
2. If the owner of the agricultural land or interest in agricultural land is an agent, trustee or fiduciary of a nonresident alien, foreign business or foreign government, the name of any principal for whom that land or interest in that land was acquired as agent.
3. The location and number of acres of the agricultural land by township and county.
4. The date the agricultural land or interest in agricultural land was acquired.
5. The immediate or pending use other than farming, for which the agricultural land or interest in agricultural land was acquired and the status of the land's development for the purpose other than farming.
6. The present use of the agricultural land.

Sec. 10. NEW SECTION. ENFORCEMENT.

1. If the secretary of state finds that a nonresident alien, foreign business, foreign government, or an agent, trustee, or other fiduciary thereof, has acquired or holds title to or interest in agricultural land in this state in violation of this Act or has failed to timely register as required under section eight (8) of this Act or has failed to timely report as required under section nine (9) of this Act, the secretary shall report the violation to the attorney general.
2. Upon receipt of the report from the secretary of state, the attorney general shall initiate an action in the district court of any county in which the land is located.

3. The attorney general shall file a notice of the pendency of the action with the recorder of deeds of each county in which any of the land is located. If the court finds that the land in question has been acquired or held in violation of this Act or the required registration has not been timely filed, it shall enter an order so declaring and shall file a copy of the order with the recorder of deeds of each county in which any portion of the land is located.

Sec. 11. NEW SECTION. ESCHEAT. If the court finds that the land in question has been acquired in violation of this Act or that the land has not been converted to the purpose other than farming within five years as provided for in this Act, the court shall declare the land escheated to the state. When escheat is decreed by the court, the clerk of court shall notify the governor that the title to the real estate is vested in the state by decree of the court. Any real estate, the title to which is acquired by the state under the provisions of this Act, shall be sold in the manner provided by law for the foreclosure of a mortgage on real estate for default of payment, the proceeds of the sale shall be used to pay court costs, and the remaining funds, if any, shall be paid to the person divested of the property but only in an amount not exceeding the actual cost paid by the person for that property. Proceeds remaining after the payment of court costs and the payment to the person divested of the property shall become a part of the general fund of the county or counties in which the land is located, in proportion to the part of the land in each county.

Sec. 12. NEW SECTION. PENALTY--FAILURE TO TIMELY FILE. A nonresident alien, foreign business or foreign government, or an agent, trustee or other fiduciary thereof, who fails to timely file the registration as required by section eight (8) of this Act, or who fails to timely file a report required by section nine (9) of this Act shall, for each offense, be punished by a fine of not more than two thousand dollars.

Sec. 13. Sections four hundred ninety-one point sixty-seven (491.67) and five hundred eighty-nine point seven (589.7), Code 1979, are repealed.

Sec. 14. This Act is effective January first following its enactment.

FLOYD H. MILLEN
Speaker of the House

TERRY E. BRANSTAD
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 148, Sixty-eighth General Assembly.

DAVID L. WRAY
Chief Clerk of the House

Approved June 10, 1979

ROBERT D. RAY
Governor