

MAR 25 1987

Place On Calendar

HOUSE FILE 633
BY COMMITTEE ON AGRICULTURE

(Formerly House Study Bill 279)

Passed House, Date 3-31-87 (p. 985) Passed Senate, Date 4/30/87 (p. 1634)

Vote: Ayes 70 Nays 23 Vote: Ayes 32 Nays 11

Approved May 26 1987

*Proposed House as amended by Senate
5/4/87 (p. 2368)*

*Motion to reconsider (p. 1641)
passed 5/4/87 (p. 1847)
Proposed Senate 5/4/87 (p. 1843)
SS-12*

A BILL FOR

1 An Act relating to restrictions on the number of acres of
2 agricultural land that authorized farm corporations or
3 authorized trusts may acquire or otherwise obtain or lease,
4 restricting persons from being shareholders or beneficiaries
5 in more than a certain number of authorized farm corporations
6 or authorized trusts, and providing penalties.

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

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HF 633

1 Section 1. NEW SECTION. 172C.5 RESTRICTIONS ON
2 AUTHORIZED FARM CORPORATIONS AND AUTHORIZED TRUSTS.

3 An authorized farm corporation or authorized trust shall
4 not, on or after July 1, 1987, either directly or indirectly,
5 acquire or otherwise obtain or lease agricultural land, if the
6 total agricultural land either directly or indirectly owned or
7 leased by the authorized farm corporation or authorized trust
8 would then exceed one thousand five hundred acres.

9 A person shall not after July 1, 1987 become a stockholder
10 of any authorized farm corporation if the person is a
11 stockholder of any other authorized farm corporation or a
12 beneficiary of an authorized trust. A person shall not after
13 July 1, 1987 become a beneficiary of an authorized trust if
14 the person is a beneficiary of another authorized trust or a
15 stockholder of an authorized farm corporation.

16 Any authorized farm corporation or authorized trust
17 violating the provisions of this section shall upon
18 conviction, be punished by a fine of not more than fifty
19 thousand dollars and shall divest itself of any land acquired
20 in violation of this section within one year after conviction.
21 A penalty of not more than one thousand dollars shall be
22 imposed on a person who becomes a stockholder of an authorized
23 farm corporation or a beneficiary of an authorized trust in
24 violation of this section. The person shall divest the
25 interest held by the person in the corporation or trust to
26 comply with this section. The courts of this state may
27 prevent and restrain violations of this section through the
28 issuance of an injunction. The attorney general or a county
29 attorney shall institute suits on behalf of the state to
30 prevent and restrain violations of this section.

31 EXPLANATION

32 This bill limits the number of acres of agricultural land
33 that authorized farm corporations and authorized trusts may
34 acquire in the state on or after July 1, 1987. It provides
35 that after July 1, 1987 a person shall not become a

1 stockholder of an authorized farm corporation or a beneficiary
2 of an authorized trust if the person is a stockholder of
3 another authorized farm corporation or a beneficiary of
4 another authorized trust. It also provides for penalties.

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HOUSE FILE 633

S-3711

1 Amend House File 633, as passed by the House, as
 2 follows:
 3 1. Page 1, line 5, by inserting after the word
 4 "land" the following: "in a county".
 5 2. Page 1, line 7, by inserting after the word
 6 "leased" the following: "in the county".
 7 3. Page 1, line 8, by striking the words "one
 8 thousand".

S-3711

Filed April 21, 1987

BY AL STURGEON

H/D 4/22 (p. 1447)

HOUSE FILE 633

S-3712

1 Amend House File 633, as passed by the House, as
 2 follows:
 3 1. Page 1, line 8, by inserting after the word
 4 "acres." the following: "However, this paragraph does
 5 not apply to agricultural land that is leased by an
 6 authorized farm corporation or authorized trust to the
 7 immediate prior owner of the land for the purpose of
 8 farming, as defined in section 172C.1."

S-3712

Filed April 21, 1987

BY AL STURGEON

Adopted 4/22/87 (p. 1447)

Motion to reconsider 4/28 (p. 1524)

" w/d 4/30 (p. 1637)

Reconsidered, amended by 4085, adopted 5/4 (p. 1842)

HOUSE FILE 633

S-3855

1 Amend the amendment, S-3712, to House File 633, as
 2 passed by the House, as follows:
 3 1. Page 1, by striking lines 5 through 8 and
 4 inserting the following: "not apply to the following:
 5 1. Land that is held or acquired and maintained to
 6 protect significant elements of the state's natural
 7 open space heritage, including but not limited to
 8 significant river, lake, wetland, prairie, forest
 9 areas, other biologically significant areas, land
 10 containing significant archaeological, historical, or
 11 cultural value, or fish or wildlife habitats, as
 12 defined in rules adopted by the department of natural
 13 resources."

S-3855

Filed April 28, 1987

BY JAMES R. RIORDAN

Recess 4/30/87

RICHARD VANDE HOEF

AL STURGEON

(p. 1637)

HOUSE FILE 633

S-3927

1 Amend House File 633, as passed by the House, as
2 follows:

3 1. Page 1, line 8, by inserting after the word
4 "acres." the following: "This paragraph also does not
5 apply to land that is held or acquired and maintained
6 to protect significant elements of the state's natural
7 open space heritage, including but not limited to
8 significant river, lake, wetland, prairie, forest
9 areas, other biologically significant areas, land
10 containing significant archaeological, historical, or
11 cultural value, or fish or wildlife habitats, as
12 defined in rules adopted by the department of natural
13 resources."

S-3927

Filed April 30, 1987

ADOPTED (p. 1639)

BY JAMES R. RIORDAN
RICHARD VANDE HOEF

HOUSE FILE 633

S-4085

1 Amend the Senate amendment, S-3712, to House File
2 633, as passed by the House, as follows:

3 1. Page 1, line 8, by inserting after the figure
4 "172C.1." the following: "Upon cessation of the lease
5 to the immediate prior owner, the authorized farm
6 corporation or authorized trust shall, within three
7 years following the date of the cessation, sell or
8 otherwise dispose of the agricultural land leased to
9 the immediate prior owner."

S-4085

Filed May 9, 1987

ADOPTED (p. 1842)

BY AL STURGEON

SENATE AMENDMENT TO HOUSE FILE 633

H-4368

1 Amend House File 633, as passed by the House, as
2 follows:

3 1. Page 1, line 8, by inserting after the word
4 "acres." the following: "However, this paragraph does
5 not apply to agricultural land that is leased by an
6 authorized farm corporation or authorized trust to the
7 immediate prior owner of the land for the purpose of
8 farming, as defined in section 172C.1. Upon cessation
9 of the lease to the immediate prior owner, the
10 authorized farm corporation or authorized trust shall,
11 within three years following the date of the
12 cessation, sell or otherwise dispose of the
13 agricultural land leased to the immediate prior
14 owner."

15 2. Page 1, line 8, by inserting after the word
16 "acres." the following: "This paragraph also does not
17 apply to land that is held or acquired and maintained
18 to protect significant elements of the state's natural
19 open space heritage, including but not limited to
20 significant river, lake, wetland, prairie, forest
21 areas, other biologically significant areas, land
22 containing significant archaeological, historical, or
23 cultural value, or fish or wildlife habitats, as
24 defined in rules adopted by the department of natural
25 resources."

26 3. By renumbering, relettering, or redesignating
27 and correcting internal references as necessary.

H-4368 FILED MAY 9, 1987

RECEIVED FROM THE SENATE

CONCURRED (p. 2307)

NSR 279

Agriculture

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
AGRICULTURE BILL)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to restrictions on the number of acres of
2 agricultural land that authorized farm corporations or
3 authorized trusts may acquire or otherwise obtain or lease,
4 and providing a penalty.

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

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SUB COMMITTEE ASSIGNMENTS

CHAIR: *Osterberg*
COMMITTEE: *Agriculture*
3/17/87

1 Section 1. NEW SECTION. 172C.5 RESTRICTIONS ON
2 AUTHORIZED FARM CORPORATIONS AND AUTHORIZED TRUSTS.

3 An authorized farm corporation or authorized trust shall
4 not, on or after July 1, 1987, either directly or indirectly,
5 acquire or otherwise obtain or lease agricultural land, if the
6 total agricultural land either directly or indirectly owned or
7 leased by the authorized farm corporation or authorized trust
8 would then exceed two thousand acres.

9 Any authorized farm corporation or authorized trust
10 violating the provisions of this section shall upon
11 conviction, be punished by a fine of not more than fifty
12 thousand dollars and shall divest itself of any land acquired
13 in violation of this section within one year after conviction.
14 The courts of this state may prevent and restrain violations
15 of this section through the issuance of an injunction. The
16 attorney general or a county attorney shall institute suits on
17 behalf of the state to prevent and restrain violations of this
18 section.

19 EXPLANATION

20 This bill limits the number of acres of agricultural land
21 that authorized farm corporations and authorized trusts may
22 acquire in the state on or after July 1, 1987, by providing
23 that no agricultural land may be acquired if the total
24 holdings of the corporation or trust would then exceed two
25 thousand acres.

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HOUSE FILE 633

AN ACT

RELATING TO RESTRICTIONS ON THE NUMBER OF ACRES OF AGRICULTURAL LAND THAT AUTHORIZED FARM CORPORATIONS OR AUTHORIZED TRUSTS MAY ACQUIRE OR OTHERWISE OBTAIN OR LEASE, RESTRICTING PERSONS FROM BEING SHAREHOLDERS OR BENEFICIARIES IN MORE THAN A CERTAIN NUMBER OF AUTHORIZED FARM CORPORATIONS OR AUTHORIZED TRUSTS, AND PROVIDING PENALTIES.

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

Section 1. NEW SECTION. 172C.5 RESTRICTIONS ON AUTHORIZED FARM CORPORATIONS AND AUTHORIZED TRUSTS.

An authorized farm corporation or authorized trust shall not, on or after July 1, 1987, either directly or indirectly, acquire or otherwise obtain or lease agricultural land, if the total agricultural land either directly or indirectly owned or leased by the authorized farm corporation or authorized trust would then exceed one thousand five hundred acres. However, this paragraph does not apply to agricultural land that is

leased by an authorized farm corporation or authorized trust to the immediate prior owner of the land for the purpose of farming, as defined in section 172C.1. Upon cessation of the lease to the immediate prior owner, the authorized farm corporation or authorized trust shall, within three years following the date of the cessation, sell or otherwise dispose of the agricultural land leased to the immediate prior owner. This paragraph also does not apply to land that is held or acquired and maintained to protect significant elements of the state's natural open space heritage, including but not limited to significant river, lake, wetland, prairie, forest areas, other biologically significant areas, land containing significant archaeological, historical, or cultural value, or fish or wildlife habitats, as defined in rules adopted by the department of natural resources.

A person shall not after July 1, 1987 become a stockholder of any authorized farm corporation if the person is a stockholder of any other authorized farm corporation or a beneficiary of an authorized trust. A person shall not after July 1, 1987 become a beneficiary of an authorized trust if the person is a beneficiary of another authorized trust or a stockholder of an authorized farm corporation.

Any authorized farm corporation or authorized trust 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. A penalty of not more than one thousand dollars shall be imposed on a person who becomes a stockholder of an authorized farm corporation or a beneficiary of an authorized trust in violation of this section. The person shall divest the interest held by the person in the corporation or trust to comply with this section. 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.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 633, Seventy-second General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 26, 1987

TERRY E. BRANSTAD
Governor