

House File 2740 - Introduced

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A BILL FOR

1 An Act relating to the confidentiality of certain information
2 filed with the secretary of state by foreign persons holding
3 agricultural land.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 9I.7, unnumbered paragraph 1, Code 2026,
2 is amended to read as follows:

3 A nonresident alien, foreign business, or foreign government,
4 or an agent, trustee, or fiduciary thereof, ~~which~~ that owns an
5 interest in agricultural land within this state on or after
6 January 1, 1980, shall register the agricultural land with the
7 secretary of state. The registration shall be made within sixty
8 days after January 1, 1980, or within sixty days after acquiring
9 the land or the interest in land, whichever is later. The
10 registration shall be made online or in the form and manner
11 prescribed by the secretary of state. ~~Information described in~~
12 ~~this section is a confidential record and subject to use in~~
13 ~~the same manner as provided in section 10B.5.~~ As part of the
14 registration, the nonresident alien, foreign business, or foreign
15 government, or an agent, trustee, or fiduciary thereof, shall
16 file all of the following information:

17 Sec. 2. Section 10B.5, subsection 2, Code 2026, is amended to
18 read as follows:

19 2. ~~Information~~ Except as provided in section 10B.5A,
20 information in reports required in this chapter is a confidential
21 record as provided in section 22.7. The attorney general may
22 have access to the reports, and may use information in the
23 reports in any action to enforce state law, including but
24 not limited to chapters 9H and 9I. The reports shall be made
25 available to members of the general assembly and appropriate
26 committees of the general assembly in order to determine
27 the extent that agricultural land is held in this state by
28 corporations and other business and foreign entities and the
29 effect of such land ownership upon the economy of this state.
30 The secretary of state shall assist any committee of the general
31 assembly studying these issues.

32 Sec. 3. Section 10B.5A, Code 2026, is amended to read as
33 follows:

34 **10B.5A Annual summary to governor and general assembly —**
35 **foreign landholdings.**

1 The secretary of state shall prepare an annual summary of
2 foreign landholding. The summary must be a report summarizing
3 the compiled information included in the current registrations
4 filed pursuant to section 9I.7 and the last reports filed
5 pursuant to section 10B.4. ~~The information is a confidential~~
6 ~~record as provided in section 22.7.~~ The attorney general may
7 ~~have access to the annual summary and may use information in the~~
8 annual summary in any action to enforce state law, including but
9 not limited to chapters 9H and 9I, and this chapter. The annual
10 summary shall be made available to the governor, members of
11 the general assembly, and appropriate committees of the general
12 assembly in order to determine the extent that agricultural land
13 is held in this state by foreign entities and the effect of such
14 land ownership upon the economy of this state. Upon request,
15 the secretary of state shall assist any committee of the general
16 assembly studying these issues.

17 EXPLANATION

18 The inclusion of this explanation does not constitute agreement with
19 the explanation's substance by the members of the general assembly.

20 BILL'S PROVISIONS. This bill provides that information in
21 a registration required to be filed by a foreign person holding
22 agricultural land in this state and a summary report by the
23 secretary of state (secretary) of compiled information included
24 in the last registrations and biennial reports filed by foreign
25 persons is no longer confidential.

26 BACKGROUND — RESTRICTIONS UPON A FOREIGN PERSON HOLDING
27 AN INTEREST IN AGRICULTURAL LAND. Code chapter 9I restricts
28 certain foreign persons from acquiring or holding a legal
29 interest in agricultural land suitable for farming if the
30 agricultural land was acquired on or after January 1, 1980
31 (Code section 9I.3). Certain exceptions apply. However,
32 generally a foreign person must convert the agricultural land
33 to a purpose other than farming within five years. A foreign
34 person includes a foreign business (e.g., a corporation formed
35 in another country), a foreign government, or a nonresident alien

1 (not a United States citizen or a person admitted for permanent
2 residence in the United States). The restriction also applies
3 to an authorized representative acting on behalf of the foreign
4 person as an agent, trustee, or fiduciary.

5 BACKGROUND — REGISTRATION AND REPORTING REQUIREMENTS. A
6 foreign person acquiring an interest in agricultural land
7 must register with the secretary (Code section 9I.7). The
8 registration must include information regarding the foreign
9 person and the person's agricultural landholdings. The foreign
10 person is also required to file a biennial report with the
11 secretary, which must include updates to the information stated
12 in the person's latest filed registration (Code section 10B.4).
13 The report must also include detailed information regarding the
14 agricultural land held by the foreign person. The secretary
15 must prepare an annual summary report of the compiled information
16 included in the last filed registrations and biennial reports
17 (Code section 10B.5A). Information included in the registrations,
18 reports, and summary report is confidential notwithstanding
19 Iowa's open records law (Code chapter 22). However, the
20 secretary's summary report must be made available to the governor
21 and members of the general assembly.

22 BACKGROUND — ENFORCEMENT AND PENALTIES. The attorney
23 general may conduct an inquiry or investigation regarding an
24 alleged violation of a registration requirement (Code section
25 9I.10) or the biennial reporting requirement (Code section
26 10B.4). A foreign person who fails to file a timely registration
27 is subject to a penalty of not more than 25 percent of the
28 county's assessed value of the subject agricultural land for the
29 previous year for each offense (Code section 9I.12). A foreign
30 person who fails to file a biennial report is subject to a civil
31 penalty of up to \$10,000 (Code section 10B.6).