

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

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

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

18 EXPLANATION

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

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

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

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

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

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