

and vehicle replacement parts for all state-owned vehicles. The state vehicle dispatcher and other state agencies, when advertising for bids for gasoline, shall also seek bids for ethanol-blended gasoline.

Approved May 26, 1987

CHAPTER 146

AUTHORIZED FARM CORPORATIONS AND TRUSTS

H.F. 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.

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