

1 SB14  
2 215062-1  
3 By Senator Melson  
4 RFD: Agriculture, Conservation and Forestry  
5 First Read: 11-JAN-22  
6 PFD: 12/07/2021

8 SYNOPSIS: Existing law provides that an alien, whether  
9 resident or nonresident, may own, hold, or dispose  
10 of real property with the same rights as a native  
11 citizen.

12 This bill would restrict ownership of  
13 agricultural land to United States citizens and  
14 resident aliens only, subject to certain limited  
15 exceptions.

16 This bill would further provide a civil  
17 penalty for violation of certain registration  
18 requirements.

20 A BILL  
21 TO BE ENTITLED  
22 AN ACT

23  
24 Relating to ownership of agricultural land; to  
25 restrict ownership of agricultural land to United States  
26 citizens and resident aliens only, subject to certain limited

1 exceptions; and to provide a civil penalty for violation of  
2 certain registration requirements.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. As used in this act, the following terms  
5 have the following meanings:

6 (1) AGRICULTURAL LAND. Land suitable for use in  
7 farming.

8 (2) FARMING. The cultivation of land for the  
9 production of agricultural crops, the raising of poultry, the  
10 production of eggs, the production of milk, the production of  
11 fruit or other horticultural crops, and grazing or production  
12 of livestock. The term includes the production of timber,  
13 forest products, nursery products, or sod. The term does not  
14 include a contract where a processor or distributor of farm  
15 products or supplies provides spraying, harvesting, or other  
16 farm services.

17 (3) FOREIGN BUSINESS. A corporation incorporated  
18 under the laws of a foreign country, or a business entity  
19 whether or not incorporated, in which a majority interest is  
20 owned directly or indirectly by nonresident aliens. Legal  
21 entities, including, but not limited to, trusts, holding  
22 companies, multiple corporations, and other business  
23 arrangements, do not affect the determination of ownership or  
24 control of a foreign business.

25 (4) FOREIGN GOVERNMENT. A government other than the  
26 government of the United States, its states, territories, or  
27 possessions.

1           (5) NONRESIDENT ALIEN. An individual who is not any  
2 of the following:

3           a. A citizen of the United States.

4           b. An individual lawfully admitted into the United  
5 States for permanent residence by the United States  
6 Immigration and Naturalization Service. An individual is  
7 lawfully admitted for permanent residence, regardless of  
8 whether the individual's lawful permanent resident status is  
9 conditional.

10           Section 2. An alien, resident or nonresident, may  
11 take and hold property, real and personal, in this state,  
12 either by purchase, descent, or devise, and may dispose of and  
13 transmit the same by sale, descent, or devise as a native  
14 citizen.

15           Section 3. (a) Notwithstanding Section 35-5-1, Code  
16 of Alabama 1975, a nonresident alien, foreign business, or  
17 foreign government, or an agent, trustee, or fiduciary  
18 thereof, may not purchase or otherwise acquire agricultural  
19 land in this state. A nonresident alien, foreign business, or  
20 foreign government, or an agent, trustee, or fiduciary  
21 thereof, that owns or holds agricultural land in this state on  
22 the effective date of this act, may continue to own or hold  
23 the land, but shall not purchase or otherwise acquire  
24 additional agricultural land in this state.

25           (b) The restriction set forth in subsection (a) does  
26 not apply to the following:

27           (1) Agricultural land acquired by devise or descent.

1           (2) A bona fide encumbrance on agricultural land  
2 taken for purposes of security.

3           (3) Agricultural land acquired by a process of law  
4 in the collection of debts, by a deed in lieu of foreclosure,  
5 pursuant to a forfeiture of a contract for deed, or by any  
6 procedure for the enforcement of a lien or claim on the land,  
7 whether created by mortgage or otherwise. However,  
8 agricultural land so acquired shall be sold or otherwise  
9 disposed of within two years after title is transferred.  
10 Pending the sale or disposition, the land shall not be used  
11 for any purpose other than farming, and the land shall not be  
12 used for farming except under lease to an individual, trust,  
13 corporation, partnership, or other business entity.

14           (c) A person who acquires agricultural land in  
15 violation of this act, remains in violation for as long as the  
16 person holds an interest in the land.

17           Section 4. A nonresident alien, foreign business, or  
18 foreign government, or an agent, trustee, or fiduciary  
19 thereof, that acquires agricultural land or an interest in  
20 agricultural land, by devise or descent after the effective  
21 date of this act, shall divest itself of all right, title, and  
22 interest in the land within two years following the date of  
23 acquiring the land or interest.

24           Section 5. A person or business that purchases or  
25 otherwise acquires agricultural land in this state, except by  
26 devise or descent, following the date of this act, and whose  
27 status changes so that it becomes a foreign business or

1 nonresident alien subject to this act, shall divest itself of  
2 all right, title, and interest in the land within two years  
3 following the date that its status changed.

4 Section 6. A nonresident alien, foreign business, or  
5 foreign government, or an agent, trustee, or fiduciary  
6 thereof, that owns an interest in agricultural land shall  
7 register with the Secretary of State. The registration shall  
8 be made not later than 60 days after the effective date of  
9 this act or not later than 60 days after acquiring the land or  
10 the interest in land, whichever time is later. The  
11 registration shall be in the form and manner prescribed by the  
12 Secretary of State and shall contain the name of the owner and  
13 the location and number of acres of the agricultural land by  
14 municipality and county. If the owner of the agricultural land  
15 or owner of the interest in agricultural land is an agent,  
16 trustee, or fiduciary of a nonresident alien, foreign  
17 business, or foreign government, the registration shall also  
18 include the name of any principal for whom that land, or  
19 interest in that land, was purchased as agent.

20 Section 7. (a) If a court of competent jurisdiction  
21 finds that the land in question has been acquired in violation  
22 of this act, the court shall declare the land escheated to the  
23 state. When escheat is decreed by the court, the clerk of  
24 court shall notify the Governor that the title to the real  
25 estate is vested in the state by decree of the court.

26 (b) Any real estate, the title to which is acquired  
27 by the state under this act, shall be sold in the manner

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

11 Section 8. A civil penalty of not more than two  
12 thousand dollars (\$2,000) shall be imposed for each offense  
13 upon a nonresident alien, foreign business, or foreign  
14 government, or an agent, trustee, or other fiduciary thereof,  
15 who fails to timely file the registration as required by  
16 Section 6.

17 Section 9. This act shall become effective on the  
18 first day of the third month following its passage and  
19 approval by the Governor, or its otherwise becoming law.