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Farm Ownership & Corporate Farming Laws: *Iowa*

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A National Agricultural Law Center Research Publication

Farm Ownership & Corporate Farming Laws: Iowa

Fast Find:

- 1) Prohibition: Iowa Code Ann. §§ 9I.1; 9I.2; 9I.3; 9I.4; 9I.5; 9I.6; 9I.10; 9I.11; 10.1; 10.2; 10.3; 10.4; 10.5; 10.6; 10.7; 10.8; 10.9; 10.10; 10.11; 10.12; 10.13; 10.14; 511.8A; § 15.498
- 2) Permission: Iowa Const. art. I, § 22
- 3) Reporting: Iowa Code Ann. §§ 9I.7; 9I.9; 9I.10; 9I.12; 10B.1; 10B.2; 10B.3; 10B.4; 10B.4A; 10B.5; 10B.6; 10B.7; § 558.44
- 4) Corporate Farming: Iowa Code Ann. §§ 9H.1; 9H.3A; 9H.4; 9H.5; 10.1; 10.2; 10.3; 10.4; 10.5; 10.6; 10.7; 10.8; 10.9; 10.10; 10.11; 10.12; 10.13; 10.14; 202B.101; 102; 201; 202; 301; 302; 303; 304; 305; 401; 402

[Iowa Const. art. I, § 22](#)
[Iowa Code Ann. §§ 9H.1; 9H.3A to 9H.5](#)
[Iowa Code Ann. §§ 9I.1 to 9I.12](#)
[Iowa Code Ann. §§ 10.1 to 10.14](#)
[Iowa Code Ann. §§ 10B.1 to 10B.7](#)
[Iowa Code Ann. §§ 202B.101 to 202B.402](#)
[Iowa Code Ann. § 511.8A](#)
[Iowa Code Ann. § 558.44](#)
[Iowa Code Ann. § 15.498](#)

Current through laws passed by the 2024 Regular Session of the 90th Iowa General Assembly effective through July 1, 2024. Some statutes are subject to changes made by the Iowa Code Editor for Code 2025.

Art. I, § 22. Resident aliens

Foreigners who are, or may hereafter become residents of this state, shall enjoy the same rights in respect to the possession, enjoyment and descent of property, as native born citizens.



§ 9H.1. Definitions

For the purposes of this chapter:

1. “Actively engaged in farming” means that a natural person who is a shareholder and an officer, director or employee of the corporation or who is a member or manager of the limited liability company either:
 - a. Inspects the production activities periodically and furnishes at least half of the value of the tools and pays at least half the direct cost of production; or
 - b. Regularly and frequently makes or takes an important part in making management decisions substantially contributing to or affecting the success of the farm operation; or
 - c. Performs physical work which significantly contributes to crop or livestock production.
2. “Agricultural land” means land suitable for use in farming.
3. “Authorized farm corporation” means a corporation other than a family farm corporation founded for the purpose of farming and the ownership of agricultural land in which:
 - a. The stockholders do not exceed twenty-five in number; and
 - b. The stockholders are all natural persons or persons acting in a fiduciary capacity for the benefit of natural persons or nonprofit corporations.
4. “Authorized limited liability company” means a limited liability company other than a family farm limited liability company founded for the purpose of farming and the ownership of agricultural land in which all of the following apply:
 - a. The members do not exceed twenty-five in number.
 - b. The members are all natural persons or persons acting in a fiduciary capacity for the benefit of natural persons or nonprofit corporations.
5. “Authorized trust” means a trust other than a family trust in which:
 - a. The beneficiaries do not exceed twenty-five in number; and
 - b. The beneficiaries are all natural persons, who are not acting as a trustee or in a similar capacity for a trust as defined in subsection 24 of this section, or persons acting in a fiduciary capacity, or nonprofit corporations; and
 - c. Its income is not exempt from taxation under the laws of either the United States or the state of Iowa.



6. “Authorized unincorporated nonprofit association” means an unincorporated nonprofit association to which all of the following apply:
 - a. The members do not exceed twenty-five in number.
 - b. The members are all natural persons or persons acting in a fiduciary capacity for the benefit of a natural person or unincorporated nonprofit association.
7. “Beneficial ownership” includes interests held by a nonresident alien individual directly or indirectly holding or acquiring a ten percent or greater share in the partnership, limited partnership, corporation, limited liability company, or trust, or directly or indirectly through two or more such entities. In addition, the term beneficial ownership shall include interests held by all nonresident alien individuals if the nonresident alien individuals in the aggregate directly or indirectly hold or acquire twenty-five percent or more of the partnership, limited partnership, corporation, limited liability company, or trust.
8. “Corporation” means a domestic or foreign corporation subject to chapter 490, a nonprofit corporation, or a cooperative.
9. “Family farm corporation” means a corporation:
 - a. Founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are persons related to each other as spouse, parent, grandparent, lineal ascendants of grandparents or their spouses and other lineal descendants of the grandparents or their spouses, or persons acting in a fiduciary capacity for persons so related;
 - b. All of its stockholders are natural persons or persons acting in a fiduciary capacity for the benefit of natural persons or family trusts as defined in subsection 13 of this section; and
 - c. Sixty percent of the gross revenues of the corporation over the last consecutive three-year period comes from farming.
10. “Family farm limited liability company” means a limited liability company which meets all of the following conditions:
 - a. The limited liability company is founded for the purpose of farming and the ownership of agricultural land in which the majority of the members are persons related to each other as spouse, parent, grandparent, lineal ascendants of grandparents or their spouses and other lineal descendants of the grandparents or their spouses, or persons acting in a fiduciary capacity for persons so related.



b. All of the members of the limited liability company are natural persons or persons acting in a fiduciary capacity for the benefit of natural persons or family trusts.

c. Sixty percent of the gross revenues of the limited liability company over the last consecutive three-year period comes from farming.

11. “Family farm limited partnership” means a limited partnership which meets all of the following conditions:

a. The limited partnership is formed for the purpose of farming and the ownership of agricultural land in which the general partner and a majority of the partnership interest is held by and the majority of limited partners are persons related to each other as spouse, parent, grandparent, lineal ascendants of grandparents or their spouses and other lineal descendants of the grandparents or their spouses, or persons acting in a fiduciary capacity for persons so related.

b. The general partner manages and supervises the day-to-day farming operations on the agricultural land.

c. All of the limited partners are natural persons or persons acting in a fiduciary capacity for the benefit of natural persons or family trusts.

d. Sixty percent of the gross revenues of the partnership over the last consecutive three-year period comes from farming.

12. “Family farm unincorporated nonprofit association” means an unincorporated nonprofit association to which all of the following apply:

a. The association is founded for the purpose of farming and the ownership of agricultural land and the majority of the members are persons related to each other as spouse, parent, grandparent, lineal ascendants of grandparents or their spouses and other lineal descendants of the grandparents or their spouses, or persons acting in a fiduciary capacity for persons so related.

b. All of its members are natural persons or persons acting in a fiduciary capacity for the benefit of natural persons or family trusts.

c. Sixty percent of the gross revenues of the unincorporated nonprofit association over the last consecutive three-year period comes from farming.

13. “Family trust” means a trust:

a. In which a majority interest in the trust is held by and the majority of the beneficiaries are persons related to each other as spouse, parent, grandparent, lineal ascendants of grandparents or their spouses and other lineal descendants of the



grandparents or their spouses, or persons acting in a fiduciary capacity for persons so related; and

b. In which all the beneficiaries are natural persons, who are not acting as a trustee or in a similar capacity for a trust, as defined in subsection 24 of this section, or persons acting in a fiduciary capacity, or nonprofit corporations; and

c. If the trust is established on or after July 1, 1988, the trust must be established for the purpose of farming and sixty percent of the gross revenues of the trust over the last consecutive three-year period must come from farming.

14. “Farming” means the cultivation of land for the production of agricultural crops, the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops, grazing or the production of livestock. Farming shall not include the production of timber, forest products, nursery products, or sod and farming shall not include a contract where a processor or distributor of farm products or supplies provides spraying, harvesting or other farm services.

15. “Fiduciary capacity” means an undertaking to act as executor, administrator, personal representative, guardian, conservator or receiver.

16. “Grantor” means a natural person, other than a nonresident alien as defined under this section, who is the creator of a revocable trust or a trust.

17. “Indirect” means to act or attempt to accomplish an act through an interest in a business association, through one or more affiliates or intermediaries, or by any method other than a direct approach, including by any circuitous or oblique method.

18. “Limited liability company” means a limited liability company as defined in section 489.102.

19. “Limited partnership” means a limited partnership as defined in section 488.102, or a limited liability limited partnership under chapter 488, which owns or leases agricultural land or is engaged in farming.

20. “Nonprofit corporation” means any of the following:

a. A corporation as defined in section 504.141 that is not a foreign corporation as described in paragraph “b”.

b. A foreign corporation as defined in section 504.141.

21. “Nonresident alien” means:

a. An individual who is not a citizen of the United States and who is not domiciled in the United States.



- b. A corporation incorporated under the law of any foreign country.
- c. A corporation organized in the United States, beneficial ownership of which is held, directly or indirectly, by nonresident alien individuals.
- d. A trust organized in the United States or elsewhere if beneficial ownership is held, directly or indirectly, by nonresident alien individuals.
- e. A partnership or limited partnership organized in the United States or elsewhere if beneficial ownership is held, directly or indirectly, by nonresident alien individuals.
- f. A limited liability company organized in the United States or elsewhere, beneficial ownership of which is held, directly or indirectly, by nonresident alien individuals.

22. “Revocable trust” means a trust which provides that the grantor retains the power to amend, modify, or revoke the trust at any time prior to the death of the grantor, regardless of whether, subsequent to the execution of the revocable trust and at any time prior to death, the grantor is legally competent to exercise the power to amend, modify, or revoke the trust and regardless of when the trust is created.

23. “Testamentary trust” means a trust created by devising or bequeathing property in trust in a will as such terms are used in the Iowa trust code as provided in chapter 633A. Testamentary trust includes a revocable trust that has not been revoked prior to the grantor's death.

24. “Trust” means a fiduciary relationship with respect to property, subjecting the person by whom the property is held to equitable duties to deal with the property for the benefit of another person, which arises as a result of a manifestation of an intention to create it. Trust does not include a person acting in a fiduciary capacity, as defined in subsection 15, or a revocable trust. A trust includes a legal entity holding property as trustee, agent, escrow agent, attorney in fact, and in any similar capacity.

25. “Unincorporated nonprofit association” means the same as defined in section 501B.2.

§ 9H.3A. Penalties—injunctive relief

The courts of this state may prevent and restrain violations of this chapter 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 chapter.



§ 9H.4. Restriction on certain corporations, limited liability companies, trusts, and unincorporated nonprofit associations—exceptions—penalty

1. A corporation, limited liability company, trust, or unincorporated nonprofit association, other than a family farm corporation, authorized farm corporation, family farm limited liability company, authorized limited liability company, family trust, authorized trust, revocable trust, testamentary trust, family farm unincorporated nonprofit association, or authorized unincorporated nonprofit association shall not, either directly or indirectly, acquire or otherwise obtain or lease any agricultural land in this state. However, the restrictions provided in this section shall not apply to the following:

a. A bona fide encumbrance taken for purposes of security.

b. Agricultural land acquired for research or experimental purposes.

Agricultural land is used for research or experimental purposes if any of the following apply:

(1) Research and experimental activities are undertaken on the agricultural land and commercial sales of products produced from farming the agricultural land do not occur or are incidental to the research or experimental purposes of the corporation or limited liability company. Commercial sales are incidental to the research or experimental purposes of the corporation or limited liability company when such sales are less than twenty-five percent of the gross sales of the primary product of the research.

(2) The agricultural land is used for the primary purpose of testing, developing, or producing seeds or plants for sale or resale to farmers as seed stock. Grain which is not sold as seed stock is an incidental sale and must be less than twenty-five percent of the gross sales of the primary product of the research and experimental activities.

(3)(a) The agricultural land is used by a corporation or limited liability company, including any trade or business which is under common control, as provided in 26 U.S.C. § 414 for the primary purpose of testing, developing, or producing animals for sale or resale to farmers as breeding stock. However, after July 1, 1989, to qualify under this subparagraph division, the following conditions must be satisfied:

(i) The corporation or limited liability company must not hold the agricultural land other than as a lessee. The term of the lease must be for not more than twelve years. The corporation or limited liability company shall not renew a lease. The corporation or limited liability company shall not enter into a lease under this subparagraph subdivision, if the



corporation or limited liability company has ever entered into another lease under this subparagraph (3), whether or not the lease is in effect. However, this subparagraph subdivision does not apply to a nonprofit corporation as defined in section 9H.1, subsection 20, paragraph “a”.

(ii) A term or condition of sale, including resale, of breeding stock must not relate to the direct or indirect control by the corporation or limited liability company of the breeding stock or breeding stock progeny subsequent to the sale.

(iii) The number of acres of agricultural land held by the corporation or limited liability company must not exceed six hundred forty acres.

(iv) The corporation or limited liability company must deliver a copy of the lease to the secretary of state. The secretary of state shall notify the lessee of receipt of the copy of the lease. However, this subparagraph division does not apply to a nonprofit corporation as defined in section 9H.1, subsection 20, paragraph “a”.

(b) Culls and test animals may be sold under this subparagraph (3). For a three-year period beginning on the date that the corporation or limited liability company acquires an interest in the agricultural land, the gross sales for any year shall not be greater than five hundred thousand dollars. After the three-year period ends, the gross sales for any year shall not be greater than twenty-five percent of the gross sales for that year of the breeding stock, or five hundred thousand dollars, whichever is less.

c. Agricultural land, including a leasehold interest, acquired by a nonprofit corporation as defined in section 9H.1, subsection 20 , paragraph “a”, including land acquired and operated by or for a state university for research, experimental, demonstration, foundation seed increase or test purposes and land acquired and operated by or for nonprofit corporations organized specifically for research, experimental, demonstration, foundation seed increase or test purposes in support of or in conjunction with a state university.

d. Agricultural land acquired by a corporation or limited liability company for immediate or potential use in nonfarming purposes.

e. Agricultural land acquired by a corporation or limited liability company by process of law in the collection of debts, or pursuant to a contract for deed executed prior to August 15, 1975, or by any



procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise.

f. A municipal corporation.

g. Agricultural land which is acquired by a trust company or bank in a fiduciary capacity or as trustee for a family trust, authorized trust or testamentary trust or for nonprofit corporations.

h. A corporation or its subsidiary organized under chapter 490 or a limited liability company organized under chapter 489 and to which section 312.8 is applicable.

i. Agricultural land held or leased by a corporation on July 1, 1975, as long as the corporation holding or leasing the land on this date continues to hold or lease such agricultural land.

j. Agricultural land held or leased by a trust on July 1, 1977, as long as the trust holding or leasing such land on this date continues to hold or lease such agricultural land.

k. Agricultural land acquired by a trust for immediate use in nonfarming purposes.

l. Agricultural land that is owned, leased, or otherwise held by an unincorporated nonprofit association on July 1, 2010, as long as the unincorporated nonprofit association continues to hold or lease such agricultural land.

2. A corporation, limited liability company, trust, or unincorporated nonprofit association, other than a family farm corporation, authorized farm corporation, family farm limited liability company, authorized limited liability company, family trust, authorized trust, revocable trust, testamentary trust, family farm unincorporated nonprofit association, or authorized unincorporated nonprofit association, violating this section shall be assessed a civil penalty of not more than twenty-five thousand dollars and shall divest itself of any land held in violation of this section within one year after judgment. 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.



§ 9H.5. Restrictions on authorized farm corporations, authorized limited liability companies, authorized trusts, limited partnerships, and authorized unincorporated nonprofit associations—penalty

1. An authorized farm corporation, authorized limited liability company, or authorized trust shall not, on or after July 1, 1987, a limited partnership other than a family farm limited partnership shall not, on or after July 1, 1988, and an authorized unincorporated nonprofit association shall not, on or after July 1, 2010, 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, authorized limited liability company, limited partnership, authorized trust, or authorized unincorporated nonprofit association would then exceed one thousand five hundred acres.

a. However, the restrictions provided in this subsection do not apply to agricultural land that is leased by an authorized farm corporation, authorized trust, limited partnership, or authorized unincorporated nonprofit association to the immediate prior owner of the land for the purpose of farming, as defined in section 9H.1. Upon cessation of the lease to the immediate prior owner, the authorized farm corporation, authorized trust, limited partnership, or authorized unincorporated nonprofit association shall, within three years following the date of the cessation, sell or otherwise dispose of the agricultural land leased to the immediate prior owner.

b. This subsection also does not apply to land that is held or acquired and maintained by an authorized farm corporation, authorized trust, limited partnership, or authorized unincorporated nonprofit association 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.

2. a. A person shall not, after July 1, 1988, become a stockholder of an authorized farm corporation, a beneficiary of an authorized trust, a member of an authorized limited liability company, or a limited partner in a limited partnership which owns or leases agricultural land if the person is also any of the following:

- (1) A stockholder of an authorized farm corporation.
- (2) A beneficiary of an authorized trust.
- (3) A limited partner in a limited partnership which owns or leases agricultural land.



(4) A member of an authorized limited liability company.

b. However, this subsection shall not apply to limited partners in a family farm limited partnership.

3. a. A person shall not, after July 1, 2010, become a member of an authorized unincorporated nonprofit association that owns or leases agricultural land if the person is also any of the following:

(1) A stockholder of an authorized farm corporation.

(2) A beneficiary of an authorized trust.

(3) A limited partner in a limited partnership which owns or leases agricultural land.

(4) A member of an authorized limited liability company.

(5) A member of another authorized unincorporated nonprofit association.

b. A person shall not, after July 1, 2010, become a stockholder of an authorized farm corporation, a beneficiary of an authorized trust, a limited partner in a limited partnership, or a member of an authorized limited liability company that owns or leases agricultural land, if the person is a member of an authorized unincorporated nonprofit association.

c. This subsection shall not apply to limited partners in a family farm limited partnership.

4. a. An authorized farm corporation, authorized trust, authorized limited liability company, limited partnership, or authorized unincorporated nonprofit association violating this section shall be assessed a civil penalty of not more than twenty-five thousand dollars and shall divest itself of any land held in violation of this section within one year after judgment. A civil penalty of not more than one thousand dollars may be imposed on a person who becomes a stockholder of an authorized farm corporation, beneficiary of an authorized trust, member of an authorized limited liability company, limited partner in a limited partnership, or member in an authorized unincorporated nonprofit association in violation of this section. The person shall divest the interest held by the person in the corporation, trust, limited liability company, limited partnership, or authorized unincorporated nonprofit association to comply with this section. The court may determine the method of divesting an interest held by a person found to be in violation of this chapter. A financial gain realized by a person who disposes of an interest held in violation of this chapter shall be forfeited to the state's general fund. All court costs and fees shall be paid by the person holding the interest in violation of this chapter.



b. 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.

5. As used in this section, “authorized trust” does not include a revocable trust.

§ 9I.1. Definitions

For the purpose of this chapter:

1. “Agricultural land” means land suitable for use in farming.

2. “Farming” means the cultivation of land for the production of agricultural crops, the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops, grazing or the production of livestock. Farming includes the production of timber, forest products, nursery products, or sod. Farming does not include a contract where a processor or distributor of farm products or supplies provides spraying, harvesting or other farm services.

3. “Foreign business” means a corporation incorporated under the laws of a foreign country, or a business entity whether or not incorporated, in which a majority interest is owned directly or indirectly by nonresident aliens. Legal entities, including but not limited to trusts, holding companies, multiple corporations and other business arrangements, do not affect the determination of ownership or control of a foreign business.

4. “Foreign government” means a government other than the government of the United States, its states, territories or possessions.

4A. “Interest” means any estate, remainder, or reversion, or portion of the estate, remainder, or reversion, or an option pursuant to which one party has a right to cause legal or equitable title to agricultural land to be transferred.

4B. “Intermediary” means any person, including a bank, broker, or dealer, that makes business or financial arrangements between companies or organizations that do not deal with each other directly.

5. “Nonresident alien” means an individual who is not any of the following:

a. A citizen of the United States.

b. A person lawfully admitted into the United States for permanent residence by the United States immigration and naturalization service. An individual is lawfully admitted for permanent residence regardless of whether the individual’s lawful permanent resident status is conditional.



6. “Parent” means any corporation which directly, or indirectly through one or more intermediaries, controls more than fifty percent of the voting stock of another corporation.

§ 9I.2. Alien rights

A nonresident alien, foreign business or foreign government may acquire, by grant, purchase, devise or descent, real property, except agricultural land or any interest in agricultural land in this state, and may own, hold, devise or alienate the real property, and shall incur the same duties and liabilities in relation thereto as a citizen and resident of the United States.

§ 9I.3. Restrictions on agricultural land holdings

1. A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, shall not purchase or otherwise acquire agricultural land in this state. A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, which owns or holds agricultural land in this state on January 1, 1980, may continue to own or hold the land, but shall not purchase or otherwise acquire additional agricultural land in this state.

2. A person who acquires agricultural land in violation of this chapter or who fails to convert the land to the purpose other than farming within five years, as provided for in this chapter, remains in violation of this chapter for as long as the person holds an interest in the land.

3. The restriction set forth in subsection 1 of this section does not apply to the following:

a. Agricultural land acquired by devise or descent.

b. A bona fide encumbrance on agricultural land taken for purposes of security.

c. Agricultural land acquired by a process of law in the collection of debts, by a deed in lieu of foreclosure, pursuant to a forfeiture of a contract for deed, or by any procedure for the enforcement of a lien or claim on the land, whether created by mortgage or otherwise. However, agricultural land so acquired shall be sold or otherwise disposed of within two years after title is transferred. Pending the sale or disposition, the land shall not be used for any purpose other than farming, and the land shall not be used for farming except under lease to an individual, trust, corporation, partnership or other business entity not subject to the restriction on the increase in agricultural land holdings imposed by section 9H.4. Agricultural land which has been acquired pursuant to this paragraph



shall not be acquired or utilized by the nonresident alien, foreign business, or foreign government, or an agent, trustee, or fiduciary thereof, under either paragraph “d” or paragraph “e”.

d. Agricultural land acquired for research or experimental purposes. Agricultural land is used for research or experimental purposes if any of the following apply:

(1) Research and experimental activities are undertaken on the agricultural land and commercial sales of products produced from farming the agricultural land do not occur or are incidental to the research or experimental purposes of the corporation. Commercial sales are incidental to the research or experimental purposes of the corporation when such sales are less than twenty-five percent of the gross sales of the primary product of the research.

(2) The agricultural land is used for the primary purpose of testing, developing, or producing seeds or plants for sale or resale to farmers as seed stock. Grain which is not sold as seed stock is an incidental sale and must be less than twenty-five percent of the gross sales of the primary product of the research and experimental activities.

(3) Until July 1, 2001, the agricultural land is used for the primary purpose of testing, developing, or producing animals for sale or resale to farmers as breeding stock. However, after July 1, 1989, to qualify under this paragraph, the following conditions must be satisfied:

(a) The nonresident alien, foreign business, or foreign government or an agent, trustee, or fiduciary of the alien, business, or government must not hold the agricultural land other than as a lessee. The term of the lease must be for not more than twelve years. A lessee shall not renew a lease entered into under this subparagraph (3). The lessee shall not enter into a lease under this paragraph, if another lease under this paragraph has been entered into by the lessee.

(b) A term or condition of sale, including resale, of seed stock or breeding stock must not relate to the direct or indirect control by the lessee of the breeding stock or breeding stock progeny subsequent to the sale.

(c) The number of acres of agricultural land held by the lessee must not exceed six hundred forty acres.

(d) The lessee must deliver a copy of the lease to the secretary of state. The secretary of state shall notify the lessee of receipt of the copy of the lease.



(4) Culls and test animals may be sold under subparagraph (3). For a three-year period beginning on the date that the lease takes effect, the gross sales for any year shall not be greater than five hundred thousand dollars. After the three-year period ends, the gross sales for any year shall not be greater than twenty-five percent of the gross sales for that year of the breeding stock, or five hundred thousand dollars, whichever is less. As used in subparagraph (3), “lessee” means a nonresident alien, foreign business, or foreign government, or an agent, trustee, or fiduciary acting on behalf of the nonresident alien, foreign business, or foreign government, or any other trade or business which is under the lessee’s common control as provided in 26 U.S.C. §414.

(5) Effective July 1, 2001, a nonresident alien, foreign business, or foreign government or an agent, trustee, or fiduciary of the alien, business, or government shall not acquire or hold agricultural land used for the primary purpose of testing, developing, or producing animals.

e. An interest in agricultural land, not to exceed three hundred twenty acres, acquired for an immediate or pending use other than farming. However, a nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, who lawfully owns over three hundred twenty acres on January 1, 1980, may continue to own or hold the land, but shall not purchase or otherwise acquire additional agricultural land in this state except by devise or descent from a nonresident alien. Pending the development of the agricultural land for purpose other than farming, the land shall not be used for farming except under lease to an individual, trust, corporation, partnership or other business entity not subject to the restriction on the increase in agricultural land holdings imposed by section 9H.4.

f. An interest in agricultural land acquired by a foreign business for an immediate use other than farming if all of the requirements of section 15.498 are met.

4. A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof shall not transfer title to or interest in agricultural land to a nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof except by devise or descent.

§ 9I.4. Development of land acquired for nonfarming purposes.

Development of the agricultural land which is not subject to the restrictions of section 9I.3, subsections 1 and 2, because the land or interest in the land was acquired for an immediate or pending use other than farming, shall convert the land to the purpose other than



farming, within five years after the acquisition of the agricultural land or the acquisition of the interest in the agricultural land.

§ 9I.5. Land acquired by devise or descent

A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, which acquires agricultural land or an interest in agricultural land, by devise or descent after January 1, 1980, shall divest itself of all right, title and interest in the land within two years from the date of acquiring the land or interest. This section shall not require divestment of agricultural land or an interest in agricultural land, acquired by devise or descent from a nonresident alien, if such land or an interest in such land was acquired by any nonresident alien prior to July 1, 1979.

§ 9I.6. Change of status — divestment

A person or business which purchases or otherwise acquires agricultural land in this state except by devise or descent, after January 1, 1980, and whose status changes so that it becomes a foreign business or nonresident alien subject to this chapter, shall divest itself of all right, title and interest in the land within two years from the date that its status changed.

§ 9I.7. Registration

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

1. The legal name, street address, mailing address, if different, and the birthplace and nationality of the nonresident alien, foreign business, or foreign government that owns the interest in the agricultural land.
2. The legal name, street address, mailing address, if different, and the birthplace and nationality of the agent, trustee, or fiduciary of the nonresident alien, foreign business, or foreign government in subsection 1, if specifically authorized to do any of the following:



- a. Purchase the agricultural land.
- b. Supervise the daily operations on the agricultural land.
3. A statement of the purpose for conducting business in this state.
4. A description of the purpose of the interest in the agricultural land in this state as it relates to the stated business purpose in subsection 3.
5. The legal name, street address, and mailing address of any parent of the registering party, including the legal name, street address, and mailing address of any subsidiary or intermediary of the parent.
6. The legal name, street address, and mailing address of any subsidiary of the registering party.
7. A listing of all other interests in agricultural land that are held directly or indirectly by the registering party, parent of the registering party, or subsidiary or intermediary of the parent in the United States that exceeds two hundred fifty acres.

§ 9I.9. Lessees conducting research or experiments

Lessees of agricultural land under section 9I.3, subsection 3, paragraph “d”, subparagraph (3), for research or experimental purposes, shall file a report with the secretary of state on or before March 31 of each year on forms adopted pursuant to chapter 17A and supplied by the secretary of state. The report shall contain the following information for the last year:

1. The name and principal place of business of the lessee.
2. The location of the agricultural land used for research or experimental purposes.
3. The date that the lease became effective.
4. The name and address of each person purchasing breeding stock produced on the agricultural land.
5. The number or volume of breeding stock purchased by each person purchasing breeding stock produced on the agricultural land.

§ 9I.10. Enforcement

1. If the secretary of state finds that a nonresident alien, foreign business, foreign government, or an agent, trustee, or other fiduciary thereof, has acquired or holds title to or interest in agricultural land in this state in violation of this chapter or has failed to timely register as required under section 9I.7 or has failed to timely report as required



under section 10B.4, the secretary shall report the violation to the attorney general.

2. Upon receipt of the report from the secretary of state, the attorney general shall initiate an action in the district court of any county in which the land is located.

3. The attorney general shall file a notice of the pendency of the action with the recorder of deeds of each county in which any of the land is located. If the court finds that the land in question has been acquired or held in violation of this chapter or the required registration has not been timely filed, it shall enter an order so declaring and shall file a copy of the order with the recorder of deeds of each county in which any portion of the land is located.

4. The attorney general may conduct an inquiry or investigation regarding a violation of this chapter or section 10B.4. As part of that inquiry or investigation, and in accordance with the Iowa rules of civil procedure, the attorney general may issue a subpoena for the production of records, including but not limited to books, accounts, papers, correspondence, memoranda, purchase agreements, files, or other documents in a print or electronic format. If a person refuses compliance, the attorney general may seek enforcement by the district court.

§ 9I.11. Escheat

If the court finds that the land in question has been acquired in violation of this chapter or that the land has not been converted to the purpose other than farming within five years as provided for in this chapter, the court shall declare the land escheated to the state. When escheat is decreed by the court, the clerk of court shall notify the governor that the title to the real estate is vested in the state by decree of the court. Any real estate, the title to which is acquired by the state under this chapter, shall be sold in the manner provided by law for the foreclosure of a mortgage on real estate for default of payment, the proceeds of the sale shall be used to pay court costs, and the remaining funds, if any, shall be paid to the person divested of the property but only in an amount not exceeding the actual cost paid by the person for that property. Proceeds remaining after the payment of court costs and the payment to the person divested of the property shall become a part of the funds of the county or counties in which the land is located, in proportion to the part of the land in each county.

§ 9I.12. Penalty—failure to timely file

A civil penalty not to exceed twenty-five percent of the county's assessed value of the subject agricultural land for the previous year



shall be imposed, for each offense, upon a nonresident alien, foreign business, or foreign government, or an agent, trustee, or other fiduciary thereof, who fails to timely file the registration as required by section 9I.7.

§ 10.1. Definitions

As used in this chapter and in chapter 10B, unless the context otherwise requires:

1. “Actively engaged in farming” means that a natural person, including a shareholder or an officer, director, or employee of a corporation, or a member or manager of a limited liability company, does any of the following:
 - a. Inspects the production activities periodically and furnishes at least half of the value of the tools used for crop or livestock production and pays at least half the direct cost of crop or livestock production.
 - b. Regularly and frequently makes or takes an important part in making management decisions substantially contributing to or affecting the success of the farm operation.
 - c. Performs physical work which significantly contributes to crop or livestock production.
2. “Agricultural land” means the same as defined in section 9H.1.
3. “Authorized entity” means an authorized farm corporation; authorized limited liability company; limited partnership, other than a family farm limited partnership; or an authorized trust as defined in section 9H.1.
4. “Commodity share landlord” means a natural person or a general partnership as provided in chapter 486A in which all partners are natural persons, who owns at least one hundred fifty acres of agricultural land, if the owner receives rent on a commodity share basis, which may be either a share of the crops or livestock produced on the land.
5. “Cooperative association” means an entity which is structured and operated on a cooperative basis pursuant to 26 U.S.C. § 1381(a) and which meets the definitional requirements of an association as provided in 12 U.S.C. § 1141j(a) or 7 U.S.C. § 291.
6. “Family farm entity” means a family farm corporation, family farm limited liability company, family farm limited partnership, or family trust, as defined in section 9H.1.
7. “Farm estate” means the real and personal property of a decedent, a ward, or a trust as provided in chapters 633 and 633A, if at least sixty percent of the gross receipts from the estate comes from farming.



8. “Farmers cooperative association” means a cooperative association organized under chapter 490 or 499, if all of the following conditions are satisfied:

a. All of the following apply:

(1) Qualified farmers must hold at least a fifty-one percent equity interest in the cooperative association, including fifty-one percent of each class of members' equity.

(2) The following persons must hold at least a seventy percent equity interest in the cooperative association, including seventy percent of each class of members' equity:

(a) A qualified farmer.

(b) A family farm entity.

(c) A commodity share landlord.

b. As used in this subsection, “members' equity” includes but is not limited to issued shares, including common stock or preferred stock, regardless of a right to receive dividends or earning distributions. However, “members' equity” does not include nonvoting common stock or nonvoting membership interests. A security such as a warrant or option that may be converted to voting stock shall be considered as issued shares.

c. For purposes of this subsection, a person who was a qualified person within the last ten years shall be treated as a qualified person.

9. a. “Farmers cooperative limited liability company” means a limited liability company organized under chapter 489, if cooperative associations hold one hundred percent of all membership interests in the limited liability company. Farmers cooperative associations must hold at least seventy percent of all membership interests in the limited liability company. If more than one type of membership interest is established, farmers cooperative associations must hold at least seventy percent of all membership interests of each type.

b. As used in paragraph “a”, a type of membership interest in a limited liability company includes any of the following:

(1)(a) A series as provided in chapter 489, article 12.

(b) This subparagraph is repealed on July 1, 2021.

(2) A protected series as provided in chapter 489, article 14.

10. “Farmers entity” means a networking farmers entity, farmers cooperative limited liability company, or farmers cooperative association.



11. “Farming” means the same as defined in section 9H.1.
12. “Grain” means the same as defined in section 203.1.
13. “Intra-company loan agreement” means an agreement involving a loan, if the parties to the agreement are members of the same farmers cooperative limited liability company, and according to the terms of the loan a member which is a regional cooperative association directly or indirectly loans money to a member which is a farmers cooperative association, on condition that the money, including any interest, must be repaid by the member which is a farmers cooperative association to the regional cooperative association or another person. A loan agreement does not include an operating loan agreement, in which all of the following apply:
 - a. The money is required to be repaid within ninety days from the date that the farmers cooperative association receives the money, and the money is actually repaid by that date.
 - b. The money is used to pay for reasonable and ordinary expenses of the farmers cooperative association in conducting its affairs.
14. “Livestock” means an animal belonging to the bovine, caprine, equine, ovine, or porcine species, ostriches, rheas, emus, farm deer as defined in section 170.1, or poultry.
15. “Networking farmers corporation” means a corporation, other than a family farm corporation as defined in section 9H.1, organized under chapter 490 if all of the following conditions are satisfied:
 - a. All of the following apply:
 - (1) Qualified farmers must hold at least fifty-one percent of all issued shares of the corporation. If more than one class of shares is authorized, qualified farmers must hold at least fifty-one percent of all issued shares in each class.
 - (2) Qualified persons must hold at least seventy percent of all issued shares of the corporation. If more than one class of shares is authorized, qualified persons must hold at least seventy percent of all issued shares in each class.
 - b. As used in paragraph “a”, “issued shares” includes but is not limited to common stock or preferred stock, or each class of common stock or preferred stock, regardless of voting rights or a right to receive dividends or earning distributions. A security such as a warrant or option that may be converted to stock shall be considered as issued shares.
16. “Networking farmers entity” means a networking farmers corporation or networking farmers limited liability company.



17. “Networking farmers limited liability company” means a limited liability company, other than a family farm limited liability company as defined in section 9H.1, organized under chapter 489 if all of the following conditions are satisfied:

a. (1) Qualified farmers must hold at least fifty-one percent of all membership interests in the limited liability company. If more than one type of membership interest is established, qualified farmers must hold at least fifty-one percent of all membership interests of each type.

(2) Qualified persons must hold at least seventy percent of all membership interests in the limited liability company. If more than one type of membership interest is established, qualified persons must hold at least seventy percent of all membership interests of each type.

b. As used in paragraph “a”, a type of membership interest in a limited liability company includes a protected series of a series limited liability company as provided in chapter 489, article 14.

18. “Operation of law” means a transfer by inheritance, devise, or bequest, court order, dissolution decree, order in bankruptcy, insolvency, replevin, foreclosure, execution sale, the execution of a judgment, the foreclosure of a real estate mortgage, the forfeiture of a real estate contract, or a transfer resulting from a decree for specific performance.

19. “Qualified farmer” means any of the following:

a. A natural person actively engaged in farming.

b. A general partnership as provided in chapter 486A in which all partners are natural persons actively engaged in farming.

c. A farm estate.

20. “Qualified commodity share landlord” means a commodity share landlord, if the owner of the agricultural land was actively engaged in farming the land or a family member of the owner is or was actively engaged in farming the land, if the family member is related to the owner as a spouse, parent, grandparent, lineal ascendant of a grandparent or spouse, or other lineal descendant of a grandparent or spouse.

21. “Qualified person” means a person who is any of the following:

a. A qualified farmer.

b. A family farm entity.

c. A qualified commodity share landlord.

22. “Regional cooperative association” means a cooperative association other than a farmers cooperative association.



§ 10.2. Interests described

As used in this chapter, all of the following apply:

1. A person holds an interest in agricultural land if the person either directly or indirectly owns or leases the agricultural land in this state.
2. A person holds an interest in a farmers entity if the person holds an interest as any of the following:
 - a. A shareholder of a networking farmers corporation.
 - b. A member of a networking farmers limited liability company.
 - c. A member of a farmers cooperative association.
 - d. A member of a farmers cooperative limited liability company.

§ 10.3. Landholdings restricted

1. Notwithstanding section 9H.4, a networking farmers corporation may hold agricultural land in this state if it meets all of the following conditions:
 - a. The networking farmers corporation does not hold an interest in agricultural land of more than six hundred forty acres.
 - b. At least seventy-five percent of the networking farmers corporation's gross receipts are from the sale of livestock or livestock products.
2. a. An interest in agricultural land held by a networking farmers corporation shall be attributable as an interest in agricultural land held by a shareholder having an interest in the networking farmers corporation. The shareholder shall be deemed to hold an interest in agricultural land held by the networking farmers corporation in proportion to the interest that the shareholder holds in the networking farmers corporation.
 - b. Except to the extent provided in this paragraph, a shareholder holding agricultural land by attribution shall be subject to landholding restrictions imposed pursuant to the Code, including sections 9H.4, 9H.5, 9I.3, and 501.103. However, notwithstanding section 9H.4, a cooperative association may hold an interest in any number of farmers entities, if the total number of acres held by the farmers entities and attributable to the cooperative association is six hundred forty acres or less.
 - c. The shareholder's proportionate interest shall be calculated by multiplying the number of acres of agricultural land held by the networking farmers corporation by the percentage interest in the networking farmers corporation held by the shareholder.



3. In the event of a transfer of an interest in the networking farmers corporation by operation of law, the corporation may disregard the transfer for purposes of determining compliance with subsection 1 for a period of two years after the transfer.

§ 10.4. Multiple interests restricted

1. A person who holds an interest in a networking farmers corporation holding an interest in agricultural land pursuant to section 10.3 shall not hold an interest in another farmers entity if any of the following applies:

- a. The person holds a twenty-five percent or greater interest in a networking farmers corporation having six or fewer stockholders.
- b. The person holds a fifteen percent or greater interest in a networking farmers corporation having seven or more stockholders.

2. A person who holds a majority interest in an authorized entity shall not hold a majority interest in a networking farmers corporation.

3. A qualified commodity share landlord who owns an interest in a networking farmers corporation holding agricultural land under section 10.3 must rent an additional one hundred fifty acres of agricultural land on a commodity share basis for each farmers entity holding agricultural land under this chapter in which the commodity share landlord acquires an interest.

§ 10.5. Landholdings restricted

1. Notwithstanding section 9H.4, a networking farmers limited liability company may hold agricultural land in this state if it meets all of the following conditions:

- a. The networking farmers limited liability company does not hold an interest in agricultural land of more than six hundred forty acres.
- b. At least seventy-five percent of the networking farmers limited liability company's gross receipts from farming are from the sale of livestock or livestock products.

2. a. An interest in agricultural land held by a networking farmers limited liability company shall be attributable as an interest in agricultural land held by a member having an interest in the networking farmers limited liability company. The member shall be deemed to hold an interest in agricultural land held by the networking farmers limited liability company in proportion to the interest that the member holds in the networking farmers limited liability company.



b. Except to the extent provided in this paragraph, a member holding agricultural land by attribution shall be subject to landholding restrictions imposed pursuant to the Code, including sections 9H.4, 9H.5, 9I.3, and 501.103. However, notwithstanding section 9H.4, a cooperative association may hold an interest in any number of farmers entities, if the total number of acres held by the farmers entities and attributable to the cooperative association is six hundred forty acres or less.

c. The member's proportionate interest shall be calculated by multiplying the number of acres of agricultural land held by the networking farmers limited liability company by the percentage interest in the networking farmers limited liability company held by the member.

3. In the event of a transfer of an interest in the networking farmers limited liability company by operation of law, the networking farmers limited liability company may disregard the transfer for purposes of determining compliance with subsection 1 for a period of two years after the transfer.

§ 10.6. Multiple interests restricted

1. A person who holds an interest in a networking farmers limited liability company holding an interest in agricultural land pursuant to section 10.5 shall not hold an interest in another farmers entity, if any of the following applies:

a. The person holds a twenty-five percent or greater interest in a networking farmers limited liability company having six or fewer members.

b. The person holds a fifteen percent or greater interest in a networking farmers limited liability company having seven or more members.

2. A person who holds a majority interest in an authorized entity shall not hold a majority interest in a networking farmers limited liability company.

3. A qualified commodity share landlord who owns an interest in a networking farmers limited liability company holding agricultural land under section 10.5 must rent an additional one hundred fifty acres of agricultural land on a commodity share basis for each farmers entity holding agricultural land under this chapter in which the commodity share landlord acquires an interest.

§10.7. Landholdings restricted

1. Notwithstanding section 9H.4, a farmers cooperative association may hold agricultural land in this state if it meets all of the following conditions:

a. The farmers cooperative association does not hold an interest in agricultural land of more than six hundred forty acres.



b. The farmers cooperative association does not produce, including by planting or harvesting, forage or grain on agricultural land in which the farmers cooperative association holds an interest. However, the farmers cooperative association may enter into an agreement under a lease or production contract with a person to produce the forage or grain, if the farmers cooperative association does not receive forage or grain in payment under the agreement. The lease or contract may specify the type of forage or grain that must be produced and provide that the farmers cooperative association has a right to purchase the forage or grain on the same terms and conditions as the highest bona fide offer received by the person for the forage or grain, within a period agreed to by the parties to the lease or production contract.

2. a. Except as provided in this section, an interest in agricultural land held by a farmers cooperative association shall be attributable as an interest in agricultural land held by a member having an interest in the farmers cooperative association. The member shall be deemed to hold an interest in agricultural land held by the farmers cooperative association in proportion to the interest that the member holds in the farmers cooperative association.

b. Except to the extent provided in this paragraph, a member holding agricultural land by attribution shall be subject to landholding restrictions imposed pursuant to the Code, including sections 9H.4, 9H.5, 9I.3, and 501.103. However, notwithstanding section 9H.4, all of the following shall apply:

(1) A cooperative association may hold an interest in any number of farmers entities, if the total number of acres held by the farmers entities and attributable to the cooperative association is six hundred forty acres or less.

(2) An interest in agricultural land held by a farmers cooperative association shall not be attributable to a member who is an entity organized under state law, if the entity holds a five percent or less interest in the farmers cooperative association.

c. The member's proportionate interest shall be calculated by multiplying the number of acres of agricultural land held by the farmers cooperative association by the percentage interest in the farmers cooperative association held by the member.

3. In the event of a transfer of an interest in a farmers cooperative association by operation of law, the association may disregard the transfer for purposes of determining compliance with subsection 1 for a period of two years after the transfer.



§ 10.8. Multiple interests restricted

1. A person who holds an interest in a farmers cooperative association holding an interest in agricultural land pursuant to section 10.7 shall not hold an interest in another farmers entity if any of the following applies:
 - a. The person holds a twenty-five percent or greater interest in a farmers cooperative association having six or fewer members.
 - b. The person holds a fifteen percent or greater interest in a farmers cooperative association having seven or more members.
2. A person who holds a majority interest in an authorized entity shall not hold a majority interest in a farmers cooperative association.

§ 10.9. Procedure for acquisition—reverse referendum—dissent

A farmers cooperative association shall not acquire an interest in agricultural land or in a farmers entity, unless all of the following apply:

1. The board of directors of the farmers cooperative association adopts a resolution authorizing the acquisition. Except as provided in this section, the resolution shall become effective thirty-one days from the date that the resolution was adopted. The farmers cooperative association is not required to comply with the procedures of this section for as long as the resolution remains in effect. The resolution shall contain all of the following:
 - a. A declaration stating that the farmers cooperative association reserves the right to acquire agricultural land or an interest in a farmers entity under this chapter.
 - b. A description of a planned acquisition, if any, including the location of agricultural land planned to be acquired, the identity of any farmers entity in which the farmers cooperative association plans to acquire an interest, and the nature of any farming operation which is planned to occur on land acquired by the farmers cooperative association or conducted by the farmers entity.
 - c. The date that the resolution was adopted and the date that it will take effect.
2. Within five days following the date that the resolution authorizing the farmers cooperative association to acquire an interest in agricultural land or acquire an interest in a farmers entity is adopted, the farmers cooperative association must provide notice of the resolution as provided in this section. The notice shall be in the following form:



NOTEICE

MEMBERS OF THE (INSERT NAME OF THE FARMERS COOPERATIVE ASSOCIATION)

The (insert name of the farmers cooperative association) is planning on acquiring an interest in agricultural land which may be used for farming or acquiring an interest in a business that owns agricultural land that may be used for farming. Under Iowa Code Chapter 10, the (insert name of the farmers cooperative association) is a farmers cooperative association. Within a limited time period: (1) Voting members may petition a farmers cooperative association to require a membership vote to approve the acquisition; and (2) all holders of members' equity may demand payment of the fair value of their interests.

a. The notice must be published in a newspaper having a general circulation in the county where the farmers cooperative association is located as provided in section 618.3. The notice shall be printed as provided in section 618.17.

b. The notice shall be delivered to all holders of members' equity in the farmers cooperative association, including members and shareholders, by mailing the notice to the holder's last known address as shown on the books of the farmers cooperative association. The notice shall be accompanied by a copy of the resolution adopted by the board pursuant to this section, and a copy of this section.

3. Within thirty days following the date that the resolution authorizing the farmers cooperative association to acquire an interest in agricultural land or acquire an interest in a farmers entity is adopted, at least twenty percent of the voting members of the farmers cooperative association may file a petition with the board of directors demanding a referendum under this subsection.

a. If a valid petition is filed, the board of directors shall call a special referendum of voting members at a regular or special meeting, as provided in section 499.27. The filing of the petition suspends the effectiveness of the resolution until a referendum is conducted as provided in this subsection.

b. The resolution shall not become effective as otherwise provided in this section, until the resolution is approved by a majority vote of the voting members of the farmers cooperative association casting ballots at the meeting to conduct the referendum.

4. a. Within thirty days following the date that the resolution authorizing the farmers cooperative association to acquire an



interest in agricultural land or acquire an interest in a farmers entity is adopted, a holder of members' equity, including a member or shareholder, may dissent to an acquisition as expressed in the resolution adopted by the board of directors under this section.

b. The holder of members' equity shall dissent by filing a demand with the board of directors. The farmers cooperative association shall pay the holder the fair value of that holder's interest as if the holder were a member dissenting to a merger or consolidation, as provided in section 499.66, upon surrender of the holder's evidence of equity in the farmers cooperative association, including a certificate of membership or shares.

c. The farmers cooperative association is not required to pay the holder of members' equity the fair value of that holder's interest as provided in this subsection, if the resolution provided for in this section does not become effective.

§ 10.10. Landholdings restricted

1. Notwithstanding section 9H.4, a farmers cooperative limited liability company may hold agricultural land in this state if it meets all of the following conditions:

a. The farmers cooperative limited liability company does not hold an interest in agricultural land of more than six hundred forty acres.

b. The farmers cooperative limited liability company does not produce, including by planting or harvesting, forage or grain on agricultural land in which the farmers cooperative limited liability company holds an interest. However, the farmers cooperative limited liability company may enter into an agreement under a lease or production contract with a person to produce the forage or grain, if the farmers limited liability company does not receive forage or grain in payment under the agreement. The lease or contract may specify the type of forage or grain that must be produced and provide that the farmers cooperative limited liability company has a right to purchase the forage or grain on the same terms and conditions as the highest bona fide offer received by the person for the forage or grain, within a period agreed to by the parties to the lease or production contract.

c. (1) Less than fifty percent of the interest in the farmers cooperative limited liability company is held by members which are parties to intra-company loan agreements. If more than one type of membership interest is established, less than fifty percent of the interest in each type of membership shall be held by members which are parties to intra-company loan agreements.



(2) As used in subparagraph (1), a type of membership interest in a limited liability company includes a protected series of a series limited liability company as provided in chapter 489, article 14.

d. The farmers cooperative limited liability company does not own swine or contract for the care and feeding of swine, if a member of the farmers cooperative limited liability company is a regional cooperative association.

2. a. An interest in agricultural land held by a farmers cooperative limited liability company shall be attributable as an interest in agricultural land held by a member cooperative association of the farmers cooperative limited liability company. The member cooperative association shall be deemed to hold an interest in agricultural land held by the farmers cooperative limited liability company in proportion to the interest that the member cooperative association holds in the limited liability company.

b. Except to the extent provided in this paragraph, a member holding agricultural land by attribution shall be subject to landholding restrictions imposed pursuant to the Code, including sections 9H.4, 9H.5, 9I.3, and 501.103. However, notwithstanding section 9H.4, a cooperative association may hold an interest in any number of farmers entities, if the total number of acres held by the farmers entities and attributable to the cooperative association is six hundred forty acres or less.

c. The member cooperative association's proportionate interest shall be calculated by multiplying the number of acres of agricultural land held by the farmers cooperative limited liability company by the percentage interest in the limited liability company held by the cooperative association as a member.

3. In the event of a transfer of an interest in the farmers cooperative limited liability company by operation of law, the farmers cooperative limited liability company may disregard the transfer for purposes of determining compliance with subsection 1 for a period of two years after the transfer.

§ 10.11. Landholding restrictions—penalties

A person violating the landholding restrictions in section 10.3, 10.5, 10.7, or 10.10 shall be assessed a civil penalty of not more than ten thousand dollars and shall divest itself of any land held in violation of the section within one year after judgment is entered ordering the farmers entity to comply with that section, as provided in section 10.13.



§ 10.12. Multiple interests restricted—penalties

1. A civil penalty of not more than one thousand dollars may be imposed on a person who becomes one of the following:
 - a. A stockholder of a networking farmers corporation as prohibited in section 10.4.
 - b. A member of a networking farmers limited liability company as prohibited in section 10.6.
 - c. A member of a farmers cooperative association as prohibited in section 10.8.
2. The person violating the section shall divest the interest held by the person in a farmers entity or authorized entity as is necessary to comply with this chapter, as provided in section 10.13.

§ 10.13. Divestiture proceedings

The court may determine the method of divesting an interest held by a person found to be in violation of this chapter. A financial gain realized by a person who disposes of an interest held in violation of this chapter shall be forfeited to the state's general fund. All court costs and fees shall be paid by the person holding the interest in violation of the section.

§ 10.14. Injunctive relief

The courts of this state may prevent and restrain violations of this chapter 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 chapter.

§ 10B.1. Definitions

As used in this chapter, unless the context otherwise requires:

1. “Agricultural land” means the same as defined in section 9H.1.
2. “Cooperative association” means any entity organized on a cooperative basis, including an association of persons organized under chapter 497, 498, or 499; an entity composed of entities organized under those chapters; or a cooperative organized under chapter 501 or 501A.
3. “Corporation” means a domestic or foreign corporation, including an entity organized pursuant to chapter 490, or a nonprofit corporation.
4. “Farming” means the same as defined in section 9H.1.
5. “Foreign business” means the same as defined in section 9I.1.



6. “Foreign government” means the same as defined in section 9I.1.
7. “Limited liability company” means a foreign or domestic limited liability company, including a limited liability company as defined in section 489.102.
8. “Limited partnership” means a foreign or domestic limited partnership, including a limited partnership as defined in section 488.102, and a domestic or foreign limited liability limited partnership under chapter 488.
9. “Nonprofit corporation” means the same as defined in section 9H.1.
10. “Nonresident alien” means the same as defined in section 9I.1.
11. “Reporting entity” means any of the following:
 - a. A corporation, other than a family farm corporation as defined in section 9H.1, including an authorized farm corporation as defined in section 9H.1 or networking farmers corporation as defined in section 10.1, holding an interest in agricultural land in this state.
 - b. A cooperative association holding an interest in agricultural land in this state.
 - c. A limited partnership, other than a family farm limited partnership as defined in section 9H.1, holding an interest in agricultural land in this state.
 - d. A person acting in a fiduciary capacity or as a trustee on behalf of a person, including a corporation, cooperative association, limited liability company, or limited partnership, which holds in a trust, other than through a family trust as defined in section 9H.1, including through an authorized trust, an interest in agricultural land in this state.
 - e. A limited liability company, other than a family farm limited liability company as defined in section 9H.1, including an authorized limited liability company as defined in section 9H.1, or a networking farmers limited liability company or farmers cooperative limited liability company as defined in section 10.1, holding an interest in agricultural land in this state.
 - f. A foreign business holding an interest in agricultural land in this state as provided in chapter 9I.
 - g. A foreign government holding an interest in agricultural land in this state as provided in chapter 9I.
 - h. A nonresident alien holding an interest in agricultural land in this state as provided in chapter 9I.



§ 10B.2. Interests described

A reporting entity holds an interest in agricultural land if the reporting entity directly or indirectly owns or leases agricultural land in this state.

§ 10B.3. Persons required to file reports

The reports required under section 10B.4 shall be signed and filed by the following individuals required to submit reports pursuant to that section for their respective reporting entities:

1. A person serving as the president or other officer or authorized representative of a corporation.
2. A person serving as the president or other officer or authorized representative of a cooperative association.
3. A person acting as the general partner of a limited partnership.
4. A person acting in a fiduciary capacity or as a trustee on behalf of a person.
5. A person who is a member, manager, or authorized representative of a limited liability company.
6. A person serving as the president or other officer or authorized representative of a foreign business.
7. A person authorized to make the report by a foreign government.
8. A nonresident alien or an agent, trustee, or fiduciary of the nonresident alien.

§ 10B.4. Reporting requirements

1. A biennial report shall be filed by a reporting entity with the secretary of state on or before March 31 of each odd-numbered year as required by rules adopted by the secretary of state pursuant to chapter 17A. However, a reporting entity required to file a biennial report pursuant to chapter 489, 490, 496C, 497, 498, 499, 501, 501A, or 504 shall file the report required by this section in the same year as required by that chapter. The reporting entity may file the report required by this section together with the biennial report required to be filed by one of the other chapters referred to in this subsection. The reports shall be filed online or on forms prepared and supplied by the secretary of state. The secretary of state may provide for combining its reporting forms with other biennial reporting forms required to be used by the reporting entities.



2. A report required pursuant to this section shall contain information for the reporting period regarding the reporting entity as required by the secretary of state which shall at least include any updates to the information provided in the registration to the secretary of state in section 9I.7 and all of the following:

- a. The name and address of the reporting entity.
- b. The name and address of the person supervising the daily operations on the agricultural land in which the reporting entity holds an interest.
- c. The following information regarding each person who holds an interest in the reporting entity:
 - (1) The name and address of the person.
 - (2) The person's citizenship, if other than the United States.
 - (3) The percentage interest held by the person in the reporting entity, unless the person is a natural person who holds less than a ten percent interest in a reporting entity.
- d. The percentage interest that a reporting entity holds in another reporting entity, and the number of acres of agricultural land that is attributable to the reporting entity which holds an interest in another reporting entity as provided in chapter 10.
- e. A certification that the reporting entity meets all of the requirements to lawfully hold agricultural land in this state.
- f. The number of acres of agricultural land held by the reporting entity, including the following:
 - (1) The total number of acres in the state.
 - (2) The number of acres in each county identified by county name.
 - (3) The number of acres owned.
 - (4) The number of acres leased.
 - (5) The number of acres held other than by ownership or lease.
 - (6) The number of acres used for the production of row crops.
- g. If the reporting entity is a life science enterprise, as provided in chapter 10C, Code 2005, the total amount of commercial sale of life science products and products other than life science products which are produced from the agricultural land held by the life science enterprise.

3. A reporting entity other than a foreign business, foreign government, or nonresident alien shall be excused from filing a report with the secretary of state during any reporting period in which the reporting entity holds an interest in less than twenty acres of



agricultural land in this state and the gross revenue produced from all farming on the land equals less than ten thousand dollars.

4. The attorney general may conduct an inquiry or investigation regarding a violation of this section as provided in section 9I.10.

§ 10B.4A. Suspension of other filing requirements

The secretary of state shall not prepare or distribute forms for reports or file reports otherwise required pursuant to section 501.103. A person required to file a report pursuant to this chapter is not required to file a report under section 501.103.

§ 10B.5. Use of reports

1. The secretary of state shall notify the attorney general when the secretary of state has reason to believe a violation of this chapter has occurred.

2. Information provided in reports required in this chapter is a confidential record as provided in section 22.7. The attorney general may have access to the reports, and may use information in the reports in any action to enforce state law, including but not limited to chapters 9H and 9I. The reports shall be made available to members of the general assembly and appropriate committees of the general assembly in order to determine the extent that agricultural land is held in this state by corporations and other business and foreign entities and the effect of such land ownership upon the economy of this state. The secretary of state shall assist any committee of the general assembly studying these issues.

§ 10B.5A. Annual summary to governor and general assembly

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



§ 10B.6. Penalties

1. a. Except as provided in paragraph “b”, the failure to timely file a report or the filing of false information in a report as provided in section 10B.4 is punishable by a civil penalty not to exceed one thousand dollars.

b. The failure to file a report or the filing of false information in a report by a nonresident alien, foreign business, or foreign government, or an agent, trustee, or other fiduciary thereof as provided in section 10B.4 is punishable by a civil penalty of up to ten thousand dollars for each offense.

2. The secretary of state shall notify a reporting entity which the secretary of state has reason to believe is required to file a report and who has not filed a timely report, that the person may be in violation of section 10B.4. The secretary of state shall include in the notice a statement of the penalty which may be assessed if the required report is not filed within thirty days. The secretary of state shall refer to the attorney general any reporting entity which the secretary of state has reason to believe is required to report if, after thirty days from receipt of the notice, the reporting entity has not filed the required report. The attorney general may, upon referral from the secretary of state, file an action in district court to seek the assessment of a civil penalty of one hundred dollars for each day the report is not filed.

§ 10B.7. Lessees conducting research or experiments—reports

Lessees of agricultural land under section 9H.4, subsection 1, paragraph “b”, subparagraph (3), for research or experimental purposes, shall file a biennial report with the secretary of state on or before March 31 of each odd-numbered year on forms adopted pursuant to chapter 17A and supplied by the secretary of state. However, a lessee required to file a biennial report pursuant to chapter 489, 490, 496C, 497, 498, 499, 501, 501A, or 504 shall file the report required by this section in the same year as required by that chapter. The lessee may file the report required by this section together with the biennial report required to be filed by one of the other chapters referred to in this paragraph. The report shall contain the following information for the reporting period:

1. The name and principal place of business of the lessee.
2. The location of the agricultural land used for research or experimental purposes.
3. The date that the lease became effective.
4. The name and address of each person purchasing breeding stock produced on the agricultural land.



5. The number or volume of breeding stock purchased by each person purchasing breeding stock produced on the agricultural land.

§ 202B.101. Purpose

The purpose of this chapter is to preserve free and private enterprise, prevent monopoly, and also to protect consumers by regulating the balance of competitive forces in beef and swine production, by enhancing the welfare of the farming community, and also by preventing processors from gaining control of beef or swine production.

§ 202B.102. Definitions

As used in this chapter, unless the context otherwise requires:

1. “Base price” means the price paid for swine, delivered to the processor, before application of any premiums or discounts, and expressed in dollars per hundred pounds of hot carcass weight as calculated in the same manner as provided in 7 C.F.R. §59.30.
2. “Business association” means a person organized under statute or common law in this state or another jurisdiction for purposes of engaging in a commercial activity on a profit, cooperative, or not-for-profit basis, including but not limited to a corporation or entity taxed as a corporation under the Internal Revenue Code, nonprofit corporation, cooperative association, partnership, limited partnership, limited liability company, limited liability partnership, investment company, joint stock company, joint stock association, or trust, including but not limited to a business trust.
3. “Cash or spot market purchase” means the purchase of swine by a processor from a seller, if the swine are slaughtered not more than fourteen days after the date that the seller and the processor agree on a date of delivery of the swine for slaughter and the base price for purchasing the swine is determined by an oral or written agreement between seller and processor executed on the day the swine are delivered for slaughter.
4. “Cattle operation” means a location including but not limited to a building, lot, yard, corral, or other place where cattle for slaughter are fed or otherwise maintained.
5. “Contract feeder” means a person owning in the applicable reporting year, as provided in section 202B.301, more than two thousand five hundred swine or five thousand head of poultry, if the swine or poultry are subject to a contract or contracts for care and feeding by a person or persons other than the owner on land which is not owned, leased, or held by the owner.



6. “Contract for the care and feeding of swine” means an oral or written agreement executed between a person and the owner of swine, under which the person agrees to care for and feed the owner’s swine on the person’s premises. A contract for the care and feeding of swine does not include an agreement for the sale or purchase of swine.

7. “Cooperative association” means the same as defined in section 10.1.

8. “Indirect” means to act or attempt to accomplish an act through an interest in a business association, through one or more affiliates or intermediaries, or by any method other than a direct approach, including by any circuitous or oblique method.

9. “Person” means an individual, business association, government or governmental subdivision or agency, or any other legal entity.

10. “Processor” means a person who alone or in conjunction with others directly or indirectly controls the manufacturing, processing, or preparation for sale of beef or pork products, including the slaughtering of cattle or swine or the manufacturing or preparation of carcasses or goods originating from the carcasses, if the beef or pork products have a total annual wholesale value of eighty million dollars or more for the person’s tax year. A person shall be deemed to be a processor if any of the following apply:

a. The person has a threshold interest in a processor which is a business association. “Threshold interest” means a direct or indirect interest in the business association, calculated as follows:

(1) For a processor of beef products, the person’s threshold interest begins at ten percent.

(2) For a processor of pork products, the person’s threshold interest begins at ten percent for a processor of pork products having a total annual wholesale value of at least eighty million dollars and decreases to one percent for a processor of pork products having a total annual wholesale value of at least two hundred sixty million dollars. The amount of the decrease in the amount of the threshold interest shall equal one percent for each increased increment of twenty million dollars in total annual wholesale value.

b. The person holds an executive position in a processor of pork products or owes a processor of pork products a fiduciary duty if the processor directly or indirectly controls the processing of pork products having a total annual wholesale value of two hundred sixty million dollars or more. A person who held such an executive position or owed a fiduciary duty shall be deemed to still hold the position or owe the duty for a two-year period following the date that the person relinquishes the position or



duty. An executive position in a processor organized as a business association includes but is not limited to a member of a board of directors or an officer of a corporation or cooperative association, a director or officer of a joint stock company or joint stock association, a manager of a limited liability company, a general partner of a limited partnership, or a trustee of a trust.

11. “Qualified processor” means a processor of pork products if all of the following apply:

a. (1)(a) Swine producers exercise a controlling interest in the processor. “Controlling interest” means actual control or the possession directly or indirectly of the power to direct or cause the direction of the management and policies of a processor, whether through the ownership of voting securities, by contract, or otherwise.

(b) Of the total interest held by all persons in the processor, swine producers hold at least sixty percent of the interest. In addition, of the total interest held by all persons in the processor, swine producers hold at least sixty percent of interests with voting rights.

(2) Of the total interest held by all persons in the processor, all retailers hold a total of not more than twenty percent of the interest.

b. Another processor does not hold a direct or indirect interest in the processor. However, this paragraph does not apply to a person deemed to be a processor solely because the person holds a threshold interest in the processor.

c. Not less than ten percent of the swine slaughtered by the processor each day are purchased through cash or spot market purchases.

d. The processor makes cash or spot market purchases of swine under the same terms and conditions from both sellers of swine who hold a direct or indirect interest in the processor and sellers of swine who do not hold a direct or indirect interest in the processor. In making such cash or spot market purchases of swine, the processor shall not provide sellers of swine who hold a direct or indirect interest in the processor with a preference over sellers of swine who do not hold a direct or indirect interest in the processor.

12. “Retailer” means a person who is engaged in the business of selling pork products, if all of the following apply:

a. The pork products are sold only on a retail basis directly to the ultimate purchasers of the pork products for consumption and not for resale.



- b. The person is not engaged in the slaughter of swine.
 - c. A processor does not have a direct or indirect interest in the person.
13. “Swine operation” means a location where swine are fed or otherwise maintained, including a building, lot, yard, or corral; and swine which are fed or otherwise maintained at the location.
14. “Swine producer” means a person who owns, controls, or operates a swine operation or who contracts for the care and feeding of swine.

§ 202B.201. Prohibited operations and activities—exceptions

1. Except as provided in subsections 2 and 3, and section 202B.202, all of the following apply:

- a. For cattle, a processor shall not own, control, or operate a cattle operation in this state.

- b. For swine, a processor shall not do any of the following:

- (1)(a)(i) Directly or indirectly own, control, or operate a swine operation in this state.

- (ii) Finance a swine operation in this state or finance a person who directly or indirectly contracts for the care and feeding of swine in this state.

- (iii) Obtain a benefit of production associated with feeding or otherwise maintaining swine, by directly or indirectly assuming a morbidity or mortality production risk, if the swine are fed or otherwise maintained as part of a swine operation in this state or by a person who contracts for the care and feeding of swine in this state.

- (iv) Directly or indirectly receive the net revenue derived from a swine operation in this state or from a person who contracts for the care and feeding of swine in this state.

- (b) For purposes of subparagraph division (a), subparagraph subdivisions (i) and (ii), both of the following apply:

- (i) “Finance” means an action by a processor to directly or indirectly loan money or to guarantee or otherwise act as a surety.

- (ii) “Finance” or “control” does not include executing a contract for the purchase of swine by a processor, including but not limited to a contract that contains an unsecured ledger balance or other price risk sharing arrangement. “Finance” also does not include providing an unsecured open



account or an unsecured loan, if the unsecured open account or unsecured loan is used for the purchase of feed for the swine and the outstanding amount due by the debtor does not exceed five hundred thousand dollars. However, the outstanding amount due to support a single swine operation shall not exceed two hundred fifty thousand dollars.

(2) Directly or indirectly contract for the care and feeding of swine in this state.

2. Subsection 1 shall not apply to a swine producer who holds a threshold interest in a qualified processor in the manner provided in section 202B.102, if all of the following apply:

a. The swine producer's threshold interest in the qualified processor is not more than ten percent.

b. The swine producer is not a processor. However, this paragraph does not apply to a swine producer deemed to be a processor solely because the swine producer holds a threshold interest in the qualified processor as otherwise allowed under this subsection or because the swine producer holds an executive position in the qualified processor or owes the qualified processor a fiduciary duty.

3. This section shall not preclude a processor from doing any of the following:

a. Contracting for the purchase of cattle or swine, provided that where the contract sets a date for delivery which is more than twenty days after the making of the contract, the contract shall do one of the following:

(1) Specify a calendar day for delivery of the cattle or swine.

(2) Specify the month for the delivery, and shall allow the farmer to set the week for the delivery within such month and the processor to set the date for delivery within such week.

b. Carrying on legitimate research, educational, or demonstration activities.

c. Owning and operating facilities to provide normal care and feeding of cattle or swine for a period not to exceed ten days immediately prior to slaughter, or for a longer period in an emergency.

§ 202B.202. Compliance requirements

1. A cooperative association which is a party to a contract for the care and feeding of swine in compliance with section 9H.2 prior to May 9, 2003, and which is in violation of section 9H.2, as amended by 2003 Iowa Acts, ch. 115, shall have until June 30, 2007, to comply with section 9H.2, as amended by 2003 Iowa Acts, ch. 115.



Notwithstanding any provision of this section, a cooperative association shall not take an action on or after May 9, 2003, that would be in violation of section 9H.2, as amended by 2003 Iowa Acts, ch. 115.

2. A processor that was in compliance with section 9H.2, Code 2001, prior to January 1, 2002, and which is in violation of section 9H.2, as amended by 2002 Acts, ch. 1095, shall have until June 30, 2006, to comply with section 9H.2, as amended by 2002 Acts, ch. 1095.

3. Notwithstanding any provision of this section, a processor shall not take an action on or after January 1, 2002, that would be in violation of section 9H.2, as amended by 2002 Acts, ch. 1095.

4. The two-year period that a person who holds an executive position in a processor or owes a processor a fiduciary duty and thus is deemed to be a processor as provided in section 202B.102, subsection 10, paragraph “b”, shall not apply if the person held the position or owed the duty on January 1, 2002, and relinquishes the position or duty on or before June 30, 2006.

§ 202B.301. Reports by contract feeders

A contract feeder shall file with the secretary of state on or before March 31 of each year on forms adopted pursuant to chapter 17A and supplied by the secretary of state an annual report containing all of the following information, if applicable:

1. The name and address of the person.
2. For each county, which the contractor shall identify, the approximate total number of swine or head of poultry subject to a contract for feeding and care as described in section 202B.102, subsection 6.
3. The name and address of the purchaser of the swine or poultry.

§ 202B.302. Reports by processors

A processor shall file a report with the secretary of state on or before March 31 of each year, as follows:

1. For all processors, the report shall include all of the following:
 - a. The number of swine and the number of cattle owned and fed more than thirty days by the processor in this state during the processor’s preceding tax year.
 - b. The total number of swine and the total number of cattle owned and fed more than thirty days by the processor during the processor’s preceding tax year.



- c. The number of swine and the number of cattle slaughtered in this state by the processor during the processor's preceding tax year.
 - d. The total number of swine and the total number of cattle slaughtered by the processor during the processor's preceding tax year.
 - e. The total wholesale value of beef or pork products that have been processed by the processor during the preceding tax year.
 - f. The total number of swine for which the processor has contracted for feeding as provided in section 202B.201.
2. For a qualified processor, the report shall include all of the following:
- a. The total number of swine slaughtered each day during the qualified processor's preceding tax year.
 - b. The total number of swine slaughtered each day that are purchased through cash or spot market purchases during the qualified processor's preceding tax year.

§ 202B.303. Signing reports

Reports by corporations shall be signed by the president or other officer or authorized representative. Reports by limited liability companies shall be signed by a manager or other authorized representative. Reports by limited partnerships shall be signed by the president or other authorized representative of the partnership. Reports by individuals shall be signed by the individual or an authorized representative.

§ 202B.304. Duties of secretary of state

The secretary of state shall notify the attorney general when the secretary of state has reason to believe a violation of this chapter has occurred. It is the intent of this section that information shall be made available to members of the general assembly and appropriate committees of the general assembly in order to determine the extent of production operations being carried out in this state by contract feeders and processors and the effect of such practices upon the economy of this state. The reports of contract feeders and processors required in this chapter shall be confidential reports except as to the attorney general for review and appropriate action when necessary. The secretary of state shall assist any committee of the general assembly existing or established for the purposes of studying the effects of this chapter and the practices this chapter seeks to study and regulate.



§ 202B.305. Additional information

The secretary of state shall request additional information as may be necessary or appropriate to enable the secretary of state to administer this chapter.

§ 202B.401. Penalties—injunctive relief

1. The courts of this state may prevent and restrain violations of this chapter 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 chapter.

2. a. A processor who violates section 202B.201 is subject to a civil penalty of not more than twenty-five thousand dollars. Each day that a violation continues shall be considered a separate offense.

b. If the attorney general or a county attorney is the prevailing party in an action for a violation of section 202B.201, the prevailing party shall be awarded court costs and reasonable attorney fees, which shall be taxed as part of the costs of the action. If the attorney general is the prevailing party, the moneys shall be deposited in the general fund of the state. If the county is the prevailing party, the moneys shall be deposited in the general fund of the county.

§ 202B.402. Penalties—reports

1. Failure to timely file a report or the filing of false information is punishable by a civil penalty not to exceed one thousand dollars.

2. For purposes of this section, a report is timely filed if the report is filed prior to May 1 of the year in which it is required to be filed.

3. The secretary of state shall notify a person who the secretary has reason to believe is required to file a report as provided by this chapter and who has not filed a timely report, that the person may be in violation of this section. The secretary of state shall include in the notice a statement of the penalty which may be assessed if the required report is not filed within thirty days. The secretary of state shall refer to the attorney general any person who the secretary has reason to believe is required to report under this chapter if, after thirty days from receipt of the notice, the person has not filed the required report. The attorney general may, upon referral from the secretary of state, file an action in district court to seek the assessment of a civil penalty of one hundred dollars for each day the report is not filed.



§ 511.8A. Agricultural land.

Agricultural land, as defined in section 9H.1, acquired as provided in section 511.8, subsection 10, paragraph “b”, by a life insurance company or association incorporated by or organized under the laws of this or any other state, shall be sold or otherwise disposed of by the company or association within five years after title is vested in the company or association. A life insurance company or association is a corporation for purposes of chapter 9H.

§ 558.44. Mandatory recordation of conveyances and leases of agricultural land

1. As used in this section, unless the context otherwise requires:

- a. “Agricultural land” means agricultural land as defined in section 9H.1.
- b. “Beneficial ownership” includes interests held by a nonresident alien individual directly or indirectly holding or acquiring a ten percent or greater share in the partnership, limited partnership, corporation, or trust, or directly or indirectly through two or more such entities. In addition, “beneficial ownership” shall include interests held by all nonresident alien individuals if the nonresident alien individuals in the aggregate directly or indirectly hold or acquire twenty-five percent or more of the partnership, limited partnership, corporation, or trust.
- c. “Conveyance” means all deeds and all contracts for the conveyance of an estate in real property except those contracts to be fulfilled within six months from the date of execution thereof.
- d. “Nonresident alien” means:
 - (1) An individual who is not a citizen of the United States and who is not domiciled in the United States.
 - (2) A corporation incorporated under the law of any foreign country.
 - (3) A corporation organized in the United States, beneficial ownership of which is held, directly or indirectly, by nonresident alien individuals.
 - (4) A trust organized in the United States or elsewhere if beneficial ownership is held, directly or indirectly, by nonresident alien individuals.
 - (5) A partnership or limited partnership organized in the United States or elsewhere if beneficial ownership is held, directly or indirectly, by nonresident alien individuals.

2. Every conveyance or lease of agricultural land, except leases not to exceed five years in duration with renewals, conveyances or leases



made by operation of law, and distributions made from estates to heirs or devisees shall be recorded by the grantee or lessee with the county recorder not later than one hundred eighty days after the date of conveyance or lease.

3. For an instrument of conveyance of agricultural land deposited with an escrow agent, the fact of deposit of that instrument of conveyance with the escrow agent as well as the name and address of the grantor and grantee shall be recorded, by a document executed by the escrow agent, with the county recorder not later than one hundred eighty days from the date of the deposit with the escrow agent. For an instrument of conveyance of agricultural land delivered by an escrow agent, that instrument shall be recorded with the county recorder not later than one hundred eighty days from the date of delivery of the instrument of conveyance by the escrow agent.

4. At the time of recordation of the conveyance or lease of agricultural land, except a lease not exceeding five years in duration with renewals, conveyances or leases made by operation of law and distributions made from estates of decedents to heirs or devisees, to a nonresident alien as grantee or lessee, such conveyance or lease shall disclose, in an affidavit to be recorded therewith as a precondition to recordation, the name, address, and citizenship of the nonresident alien. In addition, if the nonresident alien is a partnership, limited partnership, corporation, or trust, the affidavit shall also disclose the names, addresses, and citizenship of the nonresident alien individuals who are the beneficial owners of such entities. However, any partnership, limited partnership, corporation, or trust which has a class of equity securities registered with the United States securities and exchange commission under section 12 of the Securities Exchange Act of 1934 as amended to January 1, 1978, need only state that fact on the affidavit.

5. Failure to record a conveyance or lease of agricultural land required to be recorded by this section by the grantee or lessee within the specified time limit is punishable by a fine not to exceed one hundred dollars per day for each day of violation. The county recorder shall record a conveyance or lease of agricultural land presented for recording even though not presented within one hundred eighty days after the date of conveyance or lease. The county recorder shall forward to the county attorney a copy of each such conveyance or lease of agricultural land recorded more than one hundred eighty days from the date of conveyance. The county attorney shall initiate action in the district court to enforce the provisions of this section. Failure to timely record shall not invalidate an otherwise valid conveyance or lease.

6. If a real estate contract or lease is required to be recorded under this section, the requirement is satisfied by recording either the entire real estate contract or lease or a memorandum of the contract or lease containing at least the names and addresses of all parties



named in the contract or lease, a description of all real property and interests therein subject to the contract or lease, the length of the contract or initial term of the lease, and in the case of a lease a statement as to whether any of the named parties have or are subject to renewal rights, and if so, the event or condition upon which renewal occurs, the number of renewal terms and the length of each, and in the case of a real estate contract a statement as to whether the seller is entitled to the remedy of forfeiture and as to the dates upon which payments are due. This subsection is effective July 1, 1980, for all contracts and leases of agricultural land made on or after July 1, 1980.

7. The provisions of this section, except as otherwise provided, are effective July 1, 1979, for all conveyances and leases of agricultural land made on or after July 1, 1979.

§ 15.498. Foreign business—acquisition of agricultural land

1. The board may authorize an exemption to restrictions on agricultural land holdings for a foreign business if all of the following requirements are satisfied:

- a. The foreign business qualifies as an eligible business pursuant to section 15.492.
- b. As part of the application of the foreign business under section 15.493, the foreign business provides documentation to the authority, as deemed necessary by the authority, to establish that the foreign business is not associated with a foreign adversary or foreign adversary entity.
- c. The agricultural land for which the exemption is provided is a mega site or included in a mega site.
- d. The foreign business is not actively engaged in farming.

2. a. A foreign business under subsection 1 that is approved by the authority to participate in the program shall enter into an agreement with the authority pursuant to section 15.494. The agreement shall include a provision that requires the foreign business to comply with chapter 9I, and specifies that failure to do so may result in revocation of all tax incentives issued by the authority to the foreign business.

b. The authority may grant the foreign business one or more one-year extensions in which the foreign business must comply with section 9I.4. The authority shall not grant more than five one-year extensions. The community in which the agricultural land is located must approve each one-year extension by ordinance or resolution prior to the authority granting each extension. The foreign business shall



comply with the remaining provisions of chapter 9I to the extent the provisions do not conflict with this section.

