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Farm Ownership & Corporate Farming Laws:

Maine



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Fast Find:

- 1) Prohibition: None
- 2) Permission: Me. Rev. Stat. tit. 33, § 451
- 3) Reporting: Me. Rev. Stat. tit. 7, §§ 31; 32; 33; 34; 35; 36
- 4) Corporate Farming: None

Me. Rev. Stat. tit. 7, §§ 31 to 36

Me. Rev. Stat. tit. 33, § 451

Current through laws passed by the 2021 First Regular Session of the 130th Maine State Legislature effective through June 29, 2021, and passed by the 2021 First Special Session of the 130th Maine State Legislature, effective October 18, 2021.

§ 31. Title

This chapter shall be known and may be cited as the “Agricultural Land Interest Act.”

§ 32. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. AFIDA. "AFIDA" means the Agricultural Foreign Investment Disclosure Act of 1978, United States Code, Title 7, Section 3501, et seq.
2. Agricultural land. "Agricultural land" means any land in Maine which is used or capable of use without substantial modification for production of agriculturally related products including, but not limited to, crops, livestock, poultry, dairy products and sod.
3. Commissioner. "Commissioner" means the Commissioner of Agriculture, Conservation and Forestry or his authorized agents.
4. Family farm corporation. "Family farm corporation" means a corporation founded for the purpose of farming and the ownership of agricultural land; the majority of the voting stock must be held by, and a majority of the shareholders must be, persons or the spouses of persons related to each other within the 3rd degree of kindred and at least one of the related persons must reside on or actively operate the farm; and none of the shareholders may be a corporation. A family



corporation does not cease to qualify as such by reason of any bequest of voting stock.

5. Farm partnership. "Farm partnership" means an association of 2 or more individuals formed for the purpose of farming.

6. Interest in land. "Interest in land" means all forms of direct or indirect ownership of land, except:

A. Contingent future interests;

B. Noncontingent future interests which do not become possessory upon the termination of the present possessory estate; and

C. Surface or subsurface easements and rights-of-way used for a purpose unrelated to agricultural production.

§ 33. Report required

1. Conditions requiring report. Any corporation or partnership which, on its own behalf or acting as a fiduciary or trustee on behalf of another, holds, acquires or transfers any interest in agricultural land shall submit an annual report to the commissioner not later than 90 days after January 1st or the date of that acquisition or transfer, whichever is earlier.

2. Contents of report. The report shall be in such form as the commissioner may require and shall contain:

A. The legal name and address of the corporation or partnership filing and type of legal entity;

B. The nature of the interest in agricultural land which that corporation or partnership has acquired or transferred and the date of that activity;

C. The legal description and acreage of the agricultural land;

D. The use of the agricultural land at the date of acquisition or transfer and the use to which the land shall be put by the person acquiring it;

E. The appraised value of the agricultural land and the consideration given;

F. The name, address and type of legal entity of the person from whom acquired or to whom transferred; and

G. Such other information as the commissioner may require by regulation adopted in a manner consistent with the Maine Administrative Procedure Act, Title 5, chapter 375.

3. AFIDA report. A corporation or partnership may fulfill the reporting requirement of this section by submitting a copy of its federal AFIDA report.



§ 34. Exemptions

1. Family farm corporation or partnership. A family farm corporation or farm partnership as defined in section 32 shall not be required to comply with the reporting requirements in section 33.
2. Ten-acre exemption. A corporation or partnership owning less than 10 acres of land, which is the subject of a single acquisition or transfer, is not required to comply with the reporting requirements in section 33.

§ 35. Regulations

The commissioner may prescribe regulations in a manner consistent with the Maine Administrative Procedure Act, Title 5, chapter 375 [5 M.R.S.A. § 8001 et seq.], for carrying out the purposes of this chapter.

§ 36. Penalties

1. Violation. Any corporation or partnership subject to this chapter which violates this law or the regulations adopted thereunder or which submits a report which contains information that is false or misleading shall be subject to a civil penalty, payable to the State, of not more than \$50 for each day of the violation.
2. Warning. A corporation or partnership subject to this chapter which does not comply with the law in a timely fashion shall first receive a written warning from the Department of Agriculture, Conservation and Forestry which will require presentation of the information within 30 days. After the 30-day notice period is expired, penalties described in subsection 1 shall be imposed.

§ 451. Rights of aliens

An alien may take, hold, convey and devise real estate or any interest therein. All conveyances and devises of such estate or interest already made by or to an alien are valid.

