



# The National Agricultural Law Center

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## Farm Ownership & Corporate Farming Laws: *Ohio*



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# A National Agricultural Law Center Research Publication

## Farm Ownership & Corporate Farming Laws: Ohio

### Fast Find:

- 1) Prohibition: Ohio Rev. Code Ann. § 5301.256
- 2) Permission: Ohio Rev. Code Ann. § 2105.16
- 3) Reporting: Ohio Rev. Code Ann. §§ 5301.254; 5301.99
- 4) Corporate Farming: None

[Ohio Rev. Code Ann. § 2105.16](#)

[Ohio Rev. Code Ann. § 5301.254](#)

[Ohio Rev. Code Ann. § 5301.256](#)

[Ohio Rev. Code Ann. § 5301.99](#)

*Current through Files 1 to 10 of the 135th Ohio General Assembly (2023-2024).*

### **§ 2105.16. Heirs of aliens may inherit; aliens may hold real property**

No person who is capable of inheriting shall be deprived of the inheritance by reason of any of the person's ancestors having been aliens. Except as provided in Section 5301.256 of the Revised Code, aliens may hold, possess, and enjoy real property within this state, either by descent, devise, gift, or purchase, as fully as any citizen of the United States or of this state may do.

### **§ 5301.254. Real property interests acquired by nonresident alien; registration with secretary of state**

(A) For the purposes of this section, “nonresident alien” means any individual who is not a citizen of, and is not domiciled in, the United States.

(B) Every nonresident alien who acquires any interest either in his own name or in the name of another, in real property located in this state that is in excess of three acres or that has a market value greater than one hundred thousand dollars or any interest in and to minerals, and any mining or other rights appurtenant thereto or in connection therewith that has a market value in excess of fifty thousand dollars shall, within thirty days of the acquisition of the interest in the property, together with a filing fee of five dollars, submit to the secretary of state on forms prescribed by him all of the following information:

- (1) Name, address, and telephone number;



- (2) Country of citizenship;
- (3) Location and amount of acreage of real property;
- (4) Intended use of real property at the time of filing.

(C) Every corporation or other business entity that is created or organized under the laws of any state or a foreign nation or that has its principal place of business in a foreign nation, in which a nonresident alien acquires at least ten per cent of the shares of stock or other interests or in which any number of nonresident aliens acquire at least forty per cent of the shares of stock or other interests, and which acquires any interest either in its own name or in the name of another, in real property located in this state that is in excess of three acres or that has a market value greater than one hundred thousand dollars or any interest in and to minerals, and any mining or other rights appurtenant thereto or exercisable in connection therewith that has a market value in excess of fifty thousand dollars shall, within thirty days of acquisition of the interest in the property, together with a filing fee of twenty-five dollars, submit to the secretary of state on forms prescribed by him all of the following information:

- (1) Name, address of principal place of business, and address of principal Ohio office;
- (2) Name, address, telephone number, and country of citizenship of each nonresident alien who owns at least ten per cent of the shares of stock or other interests, if any;
- (3) The percentage, within five percentage points of shares of stock or other interests controlled by the nonresident aliens of each country represented by them if such interests exceed five per cent;
- (4) Location and amount of acreage of real property;
- (5) Principal business of corporation or entity;
- (6) Intended use of real property at the time of filing;
- (7) Chairman of the governing board, if any, chief executive, if any, and partners, if any;
- (8) Corporation's or entity's agent in this state;
- (9) Place of incorporation, if a corporation;
- (10) Number of persons who own shares of stock or other interests.

(D) If the ownership or control of a corporation or other business entity that is required in division (C) of this section to file with the secretary of state changes in such a way that the information contained on the filing form is no longer accurate, the corporation or other business entity shall notify the secretary of state in writing of such change within thirty days of the occurrence of the change.

If the ownership or control of a corporation or other business entity that owns real property in an amount larger than three acres or that has



a market value greater than one hundred thousand dollars or that owns any interest in and to minerals, and any mining or other rights appurtenant thereto or exercisable in connection therewith that has a market value in excess of fifty thousand dollars changes in such a way that a nonresident alien acquires at least ten per cent of the shares of stock or other interests or any number of nonresident aliens acquire at least forty per cent of the shares of stock or other interests, the corporation or other business entity shall file with the secretary of state as required in division (C) of this section within thirty days of the occurrence of the change.

If a nonresident alien who is required to file with the secretary of state in division (B) of this section becomes a resident alien or a citizen of the United States, he shall notify the secretary of state in writing of the change in his status within thirty days of the change.

If a nonresident alien or a corporation or other business entity that is required to file with the secretary of state pursuant to this section sells the real property or mineral or mining rights that were reported to the secretary of state, the nonresident alien or corporation or other business entity shall notify the secretary of state in writing of the sale within thirty days of the sale.

(E) The secretary of state shall:

- (1) Prescribe all forms and make all rules that are necessary for the implementation of this section;
- (2) Maintain accurate records of the information that he receives pursuant to this section and make such information available to the public;
- (3) Annually report this information, itemized by county, to the general assembly.

(F) No nonresident alien or corporation or other business entity that is required to file with the secretary of state pursuant to this section shall fail to comply with this section. Either the county prosecutor of the county in which the real property or the mineral or mining rights are located or the attorney general may bring action against any alleged offender. The secretary of state may request a county prosecutor or the attorney general to bring such an action.

(G) The filing of the information required by this section shall not be construed to perfect any interests permitted to be perfected under Title XIII of the Revised Code by filing with the secretary of state.

### **§ 5301.256. Registry of persons prohibited from acquiring agricultural land.**

(A) As used in this section:

- (1) "Agriculture" has the same meaning as in section 1.61 of the Revised Code.
- (2) "Agricultural land" means land suitable for use in agriculture and includes water on and upon and air space over and above the land and natural products and deposits that are unsevered from the land.
- (3) "Person" includes all of the following:



(a) Individuals;

(b) Firms, companies, business trusts, estates, trusts, sole proprietorships, partnerships, general partnerships, limited liability companies, associations, corporations, and any other business entities;

(c) Governments other than the government of the United States, its states, subdivisions, territories, or possessions;

(d) Legal or commercial entities, organizations, joint ventures, and nonprofits.

(B)(1) On or after the effective date of this section, no person listed in the registry published by the secretary of state under division (G) of this section, and no agent, trustee, or fiduciary of such a person, shall purchase or otherwise acquire agricultural land in this state.

(2) A person, agent, trustee or fiduciary subject to division (B)(1) of this section that owns or holds agricultural land in this state as described in division (B)(1) of this section before the effective date of this section may continue to own or hold the agricultural land, but shall not purchase or otherwise acquire additional agricultural land in this state that is subject to the restriction in division (B)(1) of this section unless an exception described in division (C) of this section applies.

(C) The restriction on acquiring agricultural land set forth in division (B)(1) of this section does not apply to any of the following:

(1) Agricultural land acquired by devise or descent. However, a person listed in the registry published by the secretary of state under division (G) of this section, or an agent, trustee, or fiduciary thereof, that acquires the agricultural land, or an interest in agricultural land, by devise or descent on or after the effective date of this section shall divest itself of all right, title, and interest in the agricultural land within two years from the date of acquisition.

(2) Agricultural land that is 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 agricultural land, whether created by mortgage or otherwise. Agricultural land so acquired shall be sold or otherwise disposed of within two years after title is transferred. Agricultural land, pending sale or disposition, shall not be used for any purpose other than agriculture, and the land shall not be used for agriculture under lease to an individual, trust, corporation, partnership, or other business entity not subject to the restrictions under division (B)(1) of this section.

(D) A person listed in the registry published by the secretary of state under division (G) of this section, or an agent, trustee, or fiduciary of such a person, shall not transfer title to or interest in agricultural land to another person listed in that registry, or an agent, trustee, or fiduciary thereof, except by devise or descent.

(E) A person that purchases or otherwise acquires agricultural land in this state described in division (B)(1) of this section, other than by devise or descent, after the effective date of this section, and that is subsequently



added to the registry published by the secretary of state under division (G) of this section, shall divest itself of all right, title, and interest in the agricultural land within two years from the date the person is added to the registry.

(F)(1) If the secretary of state finds that a person listed on the registry published under division (G) of this section, or an agent, trustee, or fiduciary thereof, has acquired, or holds title to, or interest in, agricultural land in this state in violation of this section, the secretary of state 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 court of common pleas of any county in which the agricultural land is located seeking relief in accordance with this section. If the agricultural land is located in more than one county, or adjoining tracts of agricultural land are located in more than one county, the county in which the majority of the agricultural is located shall have territorial jurisdiction over agricultural land that is the subject of the action. The attorney general may initiate an action in the court of common pleas of more than one county, if necessary, in which case, the court of common pleas in that county shall have jurisdiction over the action in matters as it relates to the portion of the agricultural land that is located in that county.

(3) The attorney general shall file a notice of the pendency of the action with the county recorder of each county in which any of the agricultural land is located.

(4) If the court finds that the agricultural land in question has been acquired or held in violation of this section, it shall do all of the following:

(a) Enter an order so declaring;

(b) File a copy of the order with the county recorder of each county in which any portion of the agricultural land is located;

(c) Declare the agricultural land escheated to the state;

(d) Order that the escheated agricultural land be sold pursuant to Chapter 2329. of the Revised Code in the same manner as a foreclosure on a mortgage, except that there shall be no opportunity for redemption under section 2329.33 of the Revised Code.

(5) Upon receiving an order under division (F)(4) of this section, the clerk of the court shall notify the governor that the title to the agricultural land is vested in the state by decree of the court. After the sale, the proceeds of the sale shall be paid as follows:

(a) The proceeds shall first be used to pay court costs related to the action or actions initiated pursuant to division (F)(2) of this section;

(b) The remaining proceeds, if any, shall be paid to the person whose agricultural land escheated, but only in an amount not exceeding the actual cost paid by the person for that agricultural land;



(c) The proceeds remaining after payments have been made pursuant to divisions (F)(5)(a) and (b) of this section shall be paid to the general fund of each county in which the agricultural land is located, proportionally, based on the percentage of the territory located in each county.

(G) The secretary of state shall compile and periodically update a registry of persons that, based on the best information available to the secretary of state, constitute a threat to the agricultural production of this state, or the United States, if permitted to acquire agricultural land described in division (B)(1) of this section. The registry shall be published on the secretary of state's web site. The secretary of state shall consult all of the following in compiling the registry:

(1) The list of persons determined to be foreign adversaries by the secretary of commerce of the United States under 15 C.F.R. 7.4;

(2) The terrorist exclusion list compiled by the secretary of state of the United States in consultation with the attorney general of the United States under 8 U.S.C. 1182;

(3) The list of countries determined by the secretary of state of the United States that have repeatedly provided support for acts of international terrorism under 50 U.S.C. 4813(c) and 22 U.S.C. 2780(d);

(4) The list of individual and entities designated by, or in accordance with Executive Order 13224, issued by the president of the United States on September 23, 2021, or Executive Order 13268, issued by the president of the United States on July 2, 2002.

(H) The purpose of establishing the restrictions as set forth in this section is to recognize that the state has a substantial and compelling interest in protecting its agricultural production.

### **§ 5301.99. Penalties**

(A) Any individual, corporation, or other business entity that violates section 5301.254 of the Revised Code shall be fined not less than five thousand dollars nor more than an amount equal to twenty-five per cent of the market value of the real property or mineral or mining rights about which information must be filed with the secretary of state pursuant to section 5301.254 of the Revised Code.

(B) Whoever violates section 5301.61 of the Revised Code is guilty of a misdemeanor of the first degree.

