## SENATE SUBSTITUTE

## FOR

SENATE COMMITTEE SUBSTITUTE

## FOR

HOUSE COMMITTEE SUBSTITUTE

FOR

HOUSE BILLS NOS. 903, 465, 430 & 499

AN ACT

To repeal sections 442.566, 442.571, 442.576, and 442.591, RSMo, and to enact in lieu thereof four new sections relating to foreign ownership of real property.

Be it enacted by the General Assembly of the State of Missouri, as follows: Section A. Sections 442.566, 442.571, 442.576, and 442.591, RSMo, are repealed and four new sections enacted in lieu thereof, to be known as sections 442.566, 442.571, 442.576, and 442.591, to read as follows:

442.566. As used in sections 442.560 to 442.591,unless the context clearly requires otherwise, the followingterms mean:

4 (1)"Agricultural land", any tract of land in this 5 state consisting of more than five acres, whether inside or 6 outside the corporate limits of any municipality, which is capable, without substantial modification to the character 7 of the land, of supporting an agricultural enterprise, 8 9 including but not limited to land used for the production of agricultural crops or fruit or other horticultural products, 10 or for the raising or feeding of animals for the production 11 12 of livestock or livestock products, poultry or poultry products, or milk or dairy products. Adjacent parcels of 13 14 land under the same ownership shall be deemed to be a single 15 tract;

16 (2) "Alien", any person who is not a citizen of the
17 United States and who is not a resident of the United States
18 or of some state, territory, trusteeship, or protectorate of
19 the United States;

20 (3) "Director", the director of the Missouri21 department of agriculture;

(4) "Family members" includes all persons within the ninth degree of consanguinity, or the living or surviving spouse of any person within the ninth degree of consanguinity;

"Foreign business", any business entity whether or 26 (5)not incorporated, including but not limited to companies, 27 28 corporations, professional corporations, nonprofit corporations, limited liability companies, partnerships, 29 30 limited partnerships, [and] associations, or the equivalent of any entity listed in this subdivision, in which a 31 32 controlling interest is owned by aliens or organized under 33 the laws of a foreign country, or both. In determining 34 ownership of a foreign business, legal fictions such as corporate form or trust shall be disregarded; 35

36 (6) "Residence", the place of general abode; the place
37 of general abode of a person means his principal, actual
38 dwelling place in fact, where he intends to remain
39 permanently or for an indefinite period of time at least.

442.571. 1. Except as provided in sections 442.586 2 and 442.591, [no alien or foreign business shall acquire by 3 grant, purchase, devise, descent or otherwise agricultural land in this state if the total aggregate alien and foreign 4 ownership of agricultural acreage in this state exceeds one 5 6 percent of the total aggregate agricultural acreage in this 7 state. A sale or transfer of any agricultural land in this state shall be submitted to the director of the department 8 9 of agriculture for review in accordance with subsection 3 of

10 this section only if there is no completed Internal Revenue Service Form W-9 signed by the purchaser] beginning August 11 12 28, 2023, no alien, foreign business, or foreign government shall acquire by grant, purchase, devise, descent, or 13 otherwise any agricultural land in this state. Any alien, 14 foreign business, or foreign government who acquired any 15 agricultural land in this state prior to August 28, 2023, 16 17 shall not grant, sell, or otherwise transfer such agricultural land to any other alien, foreign business, or 18 19 foreign government on or after August 28, 2023. No person may hold agricultural land as an agent, trustee, or other 20 fiduciary for an alien [or], foreign business, or foreign 21 22 government in violation of sections 442.560 to 442.592, provided, however, that no security interest in such 23 agricultural land shall be divested or invalidated by such 24 25 violation.

26 2. Any alien [or], foreign business, or foreign government who acquires agricultural land in violation of 27 sections 442.560 to 442.592 remains in violation of sections 28 442.560 to 442.592 for as long as [he or she] the alien, 29 foreign business, or foreign government holds an interest in 30 the land, provided, however, that no security interest in 31 such agricultural land shall be divested or invalidated by 32 33 such violation.

3. Subject to the provisions of subsection 1 of this 34 section, [such] all proposed [acquisitions] transfers on or 35 36 after August 28, 2023, by grant, purchase, devise, descent, or otherwise of any interest in agricultural land held by 37 any alien, foreign business, or foreign government in this 38 state shall be submitted at least thirty calendar days prior 39 to when such transfers of such agricultural land are 40 finalized to the department of agriculture to determine 41 42 whether such [acquisition] transfer of agricultural land, or

43 if land usage changes, is conveyed in accordance with the [one percent restriction on the total aggregate] prohibition 44 45 on alien and foreign ownership of agricultural land in this state under this section. Such sale or transfer submitted 46 for review shall be deemed a closed record under chapter 610 47 until such sale is finalized. The department shall 48 establish by rule the requirements for submission and 49 50 approval of requests under this subsection.

51 Any rule or portion of a rule, as that term is 4. 52 defined in section 536.010, that is created under the authority delegated in this section shall become effective 53 only if it complies with and is subject to all of the 54 provisions of chapter 536 and, if applicable, section 55 536.028. This section and chapter 536 are nonseverable and 56 if any of the powers vested with the general assembly 57 58 pursuant to chapter 536 to review, to delay the effective 59 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking 60 61 authority and any rule proposed or adopted after August 28, 2014, shall be invalid and void. 62

442.576. 1. If the director finds that an alien [or], 2 foreign business, or foreign government or an agent, 3 trustee, or other fiduciary therefor has acquired 4 agricultural land in Missouri [in violation of sections 442.560 to 442.592] after August 28, 2023, or the land 5 6 ceases to be used for nonagricultural purposes under section 7 442.591, he or she shall report the violation to the 8 attorney general.

9 2. The attorney general shall institute an action in
10 the circuit court of Cole County or the circuit court in any
11 county in which agricultural land owned by the alien or
12 foreign business, agent, trustee or other fiduciary, alleged
13 to have violated sections 442.560 to 442.592, is located.

14 3. The attorney general shall file a notice of the pendency of the action with the recorder of deeds of each 15 16 county in which any portion of such agricultural lands is located. If the court finds that the lands in question have 17 been acquired in violation of sections 442.560 to 442.592, 18 19 it shall enter an order so declaring and shall file a copy of the order with the recorder of deeds of each county in 20 21 which any portion of the agricultural lands is located. The 22 court shall order the owner to divest himself of the 23 agricultural land. The owner must comply with the order within two years. The two-year limitation period shall be a 24 covenant running with the title to the land against any 25 alien grantee or assignee. Provided, however, an 26 incorporated foreign business must divest itself of 27 agricultural land within the minimum time required by 28 Article XI, Section 5, of the Missouri Constitution. Any 29 30 agricultural lands not divested within the time prescribed shall be ordered sold by the court at a public sale in the 31 32 manner prescribed by law for the foreclosure of a mortgage on real estate for default in payment. 33

The restrictions set forth in sections 442.591. 2 442.560 to 442.592 shall not apply to agricultural land or 3 any interest therein acquired by an alien [or], foreign 4 business, or foreign government for immediate or potential use in nonfarming purposes. An alien [or], foreign 5 6 business, or foreign government may hold such agricultural land in such acreage as may be necessary to its nonfarm 7 business operation; provided, however, that pending the 8 development of agricultural land for nonfarm purposes, such 9 10 land may not be used for farming except under lease to a family farm unit; a family farm corporation defined in 11 12 section 350.010; an alien [or], foreign business, or foreign 13 government which has filed with the director under sections

442.560 to 442.592; or except when controlled through 14 ownership, options, leaseholds or other agreements by a 15 corporation which has entered into an agreement with the 16 United States of America pursuant to the New Community Act 17 of 1968 (Title IV of the Housing and Urban Development Act 18 19 of 1969, 42 U.S.C. 3901-3914), as amended, or a subsidiary or assignee of such a corporation. As used in this section, 20 the term "nonfarming" includes, but is not limited to, the 21 conducting and active operation of research or 22 23 experimentation for the purpose of developing or improving any type of agricultural practice, tool, device, or 24 implement and animal health research, animal nutrition 25 research, raising genetic traits that are used for human or 26 animal research, or animals raised for exhibition. 27