

SECOND REGULAR SESSION

SENATE BILL NO. 832

89TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR MATHEWSON.

Read 1st time January 27, 1998, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

L3656.011

AN ACT

To repeal section 350.015, RSMo 1994, relating to farm corporations, and to enact in lieu thereof one new section relating to the same subject.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 350.015, RSMo 1994, is repealed and one new section enacted in lieu thereof, to be known as section 350.015, to read as follows:

350.015. After September 28, 1975, no corporation not already engaged in farming shall engage in farming; nor shall any corporation, directly or indirectly, acquire, or otherwise obtain an interest, whether legal, beneficial or otherwise, in any title to agricultural land in this state; provided, however, that the restrictions set forth in this section shall not apply to the following:

- (1) A bona fide encumbrance taken for purposes of security;
- (2) A family farm corporation or an authorized farm corporation as defined in section 350.010;
- (3) Agricultural land and land capable of being used for farming owned by a corporation as of September 28, 1975, including the normal expansion of such ownership at a rate not to exceed twenty percent, measured in acres, in any five-year period, or agricultural land and land capable of being used for farming which is leased by a corporation in an amount, measured in acres, not to exceed the acreage under lease to such corporation as of September 28, 1975, and the additional acreage for normal expansion at a rate not to exceed twenty percent in any five-year period, and the additional acreage reasonably necessary, whether to be owned or leased by a corporation, to meet the requirements of pollution control regulations;
- (4) A farm operated wholly for research or experimental purposes, including seed research

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

and experimentation and seed stock production for genetic improvements, provided that any commercial sales from such farm shall be incidental to the research or experimental objectives of the corporation;

(5) Agricultural land operated by a corporation for the purposes of growing nursery plants, vegetables, grain or fruit used exclusively for brewing or winemaking or distilling purposes and not for resale, for forest cropland or for the production of poultry, poultry products, fish or mushroom farming, production of registered breeding stock for sale to farmers to improve their breeding herds, for the production of raw materials for pharmaceutical manufacture, chemical processing, food additives and related products, and not for resale;

(6) Agricultural land operated by a corporation for the purposes of alfalfa dehydration exclusively and only as to said lands lying within fifteen miles of a dehydrating plant, and provided further said crops raised thereon shall be used only for further processing and not for resale in its original form;

(7) Any interest, when acquired by an educational, religious, or charitable not for profit or pro forma corporation or association;

(8) Agricultural land or any interest therein acquired by a corporation other than a family farm corporation or authorized farm corporation, as defined in section 350.010, for immediate or potential use in nonfarming purposes. A corporation may hold such agricultural land in such acreage as may be necessary to its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, such land may not be used for farming except under lease to a family farm unit, a family farm corporation or an authorized farm corporation, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation which has entered into an agreement with the United States of America pursuant to the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, 42 U.S.C. 3901-3914), as amended, or a subsidiary or assign of such a corporation;

(9) Agricultural lands acquired by a corporation by process of law or voluntary conveyance in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise; provided, that any corporation may hold for ten years real estate acquired in payment of a debt, by foreclosure or otherwise, and for such longer period as may be provided by law;

(10) The provisions of sections 350.010 to 350.030 shall not apply to the raising of hybrid hogs in connection with operations designed to improve the quality, characteristics, profitability, or marketability of hybrid hogs through selective breeding and genetic improvement where the primary purpose of such livestock raising is to produce hybrid hogs to be used by farmers and livestock raisers for the improvement of the quality of their herds;

(11) A bank or trust company acting as administrator or executor under the terms of a will

or trustee under the terms of a testamentary or inter vivos trust created by the owner of a family farm, or an inter vivos or testamentary trust, the principal of which is shares of a family farm corporation or authorized farm corporation and which trust is created by a shareholder of the family farm corporation or authorized farm corporation. However, a bank or trust company acting in the administration of an investment trust or a management trust formed with the primary purpose of making or managing investments or income-producing property and purchasing agricultural real estate with trust funds with the primary benefits accruing to investors or shareholders in the trust is not exempt from the provisions of sections 350.010 to 350.030[.];

(12) Agricultural land that on June 1, 1998, was in compliance with section 350.016 and any other property utilized to meet the requirements of environmental regulations regarding such agricultural land.

Bill

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