WEST virginia legislature

2023 regular session

ENGrossed

Committee Substitute

for

Senate Bill 581

By Senators Hamilton, Plymale, and Deeds

[Originating in the Committee on Agriculture and Natural Resources; reported on February 25, 2023]

A Bill to amend and reenact §11-1A-3 of the Code of West Virginia, 1931, as amended; to amend and reenact §19-1-4 of said code; to amend and reenact §19-2-5 of said code; to amend and reenact §19-2C-1, §19-2C-6a, and §19-2C-10 of said code; to amend and reenact §19-12-2 of said code; to amend and reenact §19-12D-3, §19-12D-4, and §19-12D-5 of said code; to amend and reenact §19-36-2 of said code; to amend said code by adding thereto a new article, designated §19-39-1, §19-39-2, §19-39-3, §19-39-4, §19-39-5, §19-39-6, §19-39-7, §19-39-8, §19-39-9, §19-39-10, and §19-39-11, all relating generally to the 2023 Farm Bill; defining terms; authorizing transfer of land owned by the Department of Agriculture; increasing membership and composition of board of review; compensating board of review members for services; limiting consecutive terms served by board of review members; removing public hearing requirement relating to noxious weed and rule; restricting ownership of agricultural land holdings; providing exceptions to restrictions on ownership of agricultural land holdings; requiring report to be filed with Commissioner of Agriculture in certain circumstances; providing for enforcement of violations of acquisition, registration, and reporting requirements; permitting Attorney General to initiate action in circuit court; requiring Attorney General to make notice filing; directing circuit court to enter an order under certain circumstances; providing for escheat of property to state; directing sale of escheated property; providing civil penalty for failure to meet filing requirements; and providing effective dates.

Be it enacted by the Legislature of West Virginia:

CHAPTER 11. TAXATION.

ARTICLE 1A. APPRAISAL OF PROPERTY.

§11-1A-3. Definitions.

As used in this article, unless the context clearly requires a different meaning:

(a) "Assessed value" of any item of property is its assessed value after the certification of the first statewide reappraisal and shall be 60 percent of the market value of ~~such~~ the item of property regardless of its class or species, except as hereinafter specifically provided in this article;

(b) "Base year" ~~shall have~~ has the meaning ascribed to that term by the provisions of §11-1A-2 of this code;

(c) "Commission" ~~shall mean~~ means the West Virginia appraisal control and review commission;

(d) "Commissioner" or "Tax Commissioner" ~~shall mean~~ means the chief executive officer of the state Tax Department except in those instances where the context clearly relates to the West Virginia appraisal control and review commission, in which case "commissioner" ~~shall mean~~ means any member of ~~such~~ the commission;

(e) "Designated agent" ~~shall mean~~ means a person, not directly employed by the Tax Commissioner, who is designated by the Tax Commissioner to perform reappraisal functions authorized or required by this article. ~~Such~~ That term shall include, but ~~not be~~ is not limited to, agents and independent contractors, and nothing in this article ~~shall~~ may be construed to alter the relationship of the State of West Virginia, or its officers, and such persons to create relationships not contemplated by agreements between the Tax Commissioner and such persons;

(f) "Farm" ~~shall mean~~ means and includes land currently being used primarily for farming purposes, whether by the owner thereof or by a tenant, and which has been so used for at least seasonally during the year next preceding the then current tax year, but ~~shall~~ may not include lands used primarily in commercial forestry or the growing of timber for commercial purposes; and shall not include one acre surrounding the principal residence situate on a farm which shall be valued as a homesite in the same manner as surrounding homes and properties not situated on farmland, taking into consideration such variables as location, resale value and accessibility. The Commissioner of Agriculture shall formulate criteria upon which a parcel of land qualifies as a "farm." The county assessor may require the assistance of the Commissioner of Agriculture in making a determination of whether a parcel of land qualifies as a "farm".

(g) "Farming purposes" ~~shall mean~~ means the utilization of land to produce for sale, consumption, or use, any agricultural products, including, but not limited to, livestock, as defined in §19-10B-2 of this code, poultry, fruit, vegetables, grains or hays or any of the products derived from any of the foregoing, tobacco, syrups, honey, and ~~any and~~ all horticultural and nursery stock, Christmas trees, all sizes of ornamental trees, sod, seed and ~~any and~~ all similar commodities or products including farm wood lots and the parts of a farm which are lands lying fallow or in timber or in wastelands;

(h) "Property situate in this state" ~~shall mean~~ means:

(1) Property having legal situs in this state; or

(2) In the case of persons with a place of business located in this state and authorized to do business in this state and one or more other states of the United States or any foreign country:

(A) Any tangible property brought into this state from time to time or otherwise ~~deemed~~ determined to have situs in this state for purposes of ad valorem property taxation; and

(B) Any intangible property held by ~~such~~ the person, wherever evidence thereof is situate. In the case of assessment of ~~such~~ the intangible property for ad valorem property taxation after the first statewide reappraisal only ~~such~~ the part thereof, as may be determined by applicable law or regulation to be subject to ~~such~~ taxation, shall be ~~deemed~~ determined to be situate in this state;

(i) "Value," "market value" and "true and actual value" ~~shall have~~ has the same meaning and ~~shall mean~~ means the price at or for which a particular parcel or species of property would sell if it were sold to a willing buyer by a willing seller, in an arm's length transaction, without either the buyer or the seller being under any compulsion to buy or sell: *Provided,* That in determining value, primary consideration shall be given to the trends of price paid for like or similar property in the area or locality wherein ~~such~~ the property is situate over a period of not less than three nor more than eight years next preceding the base year, and in the case of a farm or farms shall be determined assuming ~~such~~ the land is being used for farming purposes. In addition, the commissioner may, for purposes of appraisement of any tract or parcel of real property, or chattels, real or other species of property, real or personal, take into account one or more of the following factors: (1) The location of ~~such~~ the property; (2) its site characteristics; (3) the ease of alienation thereof, considering the state of its title, the number of owners thereof, and the extent to which the same may be the subject of either dominant or servient easements; (4) the quantity of size of the property and the impact which its sale may have upon surrounding properties; (5) if purchased within the previous eight years, the purchase price thereof and the date of each such purchase; (6) recent sale of, or other transactions involving comparable property within the next preceding eight years; (7) the value of ~~such~~ the property to its owner; (8) the condition of ~~such~~ the property; (9) the income, if any, which the property actually produces and has produced within the next preceding eight years; and (10) any commonly accepted method of ascertaining the market value of any such property, including techniques and methods peculiar to any particular species of property if such technique or method is used uniformly and applied to all property of like species.

CHAPTER 19. AGRICULTURE.

ARTICLE 1. DEPARTMENT OF AGRICULTURE.

§19-1-4. Duties of commissioner.

The Commissioner of Agriculture shall perform the following duties:

(a) Devise means of advancing the agricultural interests of the state and, in the performance of such duty, he or she shall have authority to call upon any state department, or officer of the state or county, to cooperate in promoting the agricultural interests of the state. It ~~shall be~~ is the duty of any such department, or officer, upon request of the commissioner to render the assistance desired;

(b) Promote and encourage the organization of such societies and associations as have for their object the improvement and development of the state’s agricultural, horticultural, and kindred interests, especially in production, processing for market, and distribution;

(c) Conduct cooperative work with the United States Department of Agriculture in inspecting and determining the grade and condition of farm produce at collecting centers, receiving centers, and shipping points;

(d) Induce the investment of capital in, and immigration into, this state by the dissemination of information relative to the soil, climate, health, natural resources, market opportunities, and advantages of the state;

(e) Investigate and report upon the kinds, conditions, and extent of the mineral products of the state and their value;

(f) Take charge of the museum of the Department of Agriculture, collect, preserve and exhibit therein specimens of agricultural, horticultural and kindred products, products of the forests, minerals, flora, and fauna of the state;

(g) Publish and distribute, from time to time, such reports and bulletins concerning agriculture, horticulture, and kindred subjects as may be of value to the farmers of the state and, as conditions may demand, publish a handbook giving the resources of the several counties of the state, the varieties of soil and products, both mineral and vegetable, and the adaptability of the different sections of the state to the different branches of agriculture, horticulture, and kindred interests;

(h) Submit a biennial report to the Governor and Legislature containing such information as to the operations of the department as may be helpful to the agricultural interests of the state, together with an itemized statement of all receipts and disbursements during the biennial period covered thereby, and giving the name of every person employed during ~~such~~ the period, the time employed, and the amount paid each employee;

(i) Perform such other duties and exercise such other powers as are provided in this chapter and by general law;

(j) Enter into an agreement with the Secretary of the Department of Veterans’ Assistance to transfer without consideration all or part of the approximately 17 acres of Department of Agriculture property in Beckley, West Virginia, located adjacent to the Jackie Withrow Hospital which was formerly known as Pinecrest Hospital, for construction of a veterans skilled nursing facility;

(k) Propose rules, including regulatory standards, for legislative approval in accordance with the provisions of §29A-3-1 *et seq.* of this code for the purpose of carrying out the requirements of this chapter; ~~and~~

(l) Cooperate with the State Resiliency Office to the fullest extent practicable to assist that office in fulfilling its duties;

(m) Notwithstanding any provision of this code to the contrary, transfer to the Village of Barboursville, without consideration, all the approximately 250 acres of land known as the Huntington State Hospital institutional farm, located at Barboursville, Cabell County, for the purpose of providing public services; and

(n) Notwithstanding any provision of this code to the contrary, transfer to the City of Ellenboro, without consideration, all the lots owned by the Department of Agriculture located in the City of Ellenboro, for public services.

ARTICLE 2. MARKETING AGRICULTURAL PRODUCTS.

§19-2-5. Inspection and grading of agricultural products; charges.

The commissioner may comply with the request of any person for official inspection of agricultural products and he or she, or his or her agents, ~~shall have authority to~~ may inspect and determine the grade and quality of agricultural products at public markets, concentration points, packing, grading, and processing plants and other places where agricultural products are assembled for distribution; the commissioner ~~shall~~ may establish and publish a schedule of charges for ~~such~~ the inspection and grading service; and ~~it shall be his duty and he shall have authority to~~ may collect ~~such~~ the charges for ~~such~~ the inspection and grading services, which moneys shall be paid into the State Treasury and reappropriated to the Department of Agriculture for the administration of this article.

ARTICLE 2C. AUCTIONEERS.

§19-2C-1. Definitions.

~~For the purposes of this article:~~

(a) "Absolute auction" means the sale of real or personal property at auction whereby every item offered from the block is sold to the highest bidder without reserve and without the requirements of a minimum bid or other conditions which limit the sale other than to the highest bidder.

(b) "Auction" means any sale of real or personal property in which offers or bids are made by prospective purchasers by means of verbal exchange, physical gesture, or written communication, whether bids are made in person, via mail, or electronically, the property is sold to the highest bidder, and there is no fixed or predetermined time for the auction to end, as the close of the auction is determined by either the auctioneer or the persons bidding on the item or items. The term "auction" includes public auctions.

(c) "Auctioneer" means a person who sells goods or real estate at public auction for another on commission or for other compensation.

(d) "Commissioner" means the Commissioner of Agriculture of West Virginia.

(e) "Department" means the West Virginia Department of Agriculture.

(f) "Escrow account" means a separate custodial or trust fund account maintained by the auctioneer.

(g) "Estate auction" means the sale at auction of property of a specified deceased person or the property of a specified living person’s estate. Estate auctions may contain property other than that of the specified living or deceased person. However, the inclusion of additional property must be included in all advertising and auction announcements.

(h) "In this state" means that an auction satisfies one of the following criteria:

(1) The auctioneer performed the auction within the borders of the State of West Virginia;

(2) The auctioneer is selling items for a person located in the State of West Virginia;

(3) The auctioneer is auctioning real or personal property located in the State of West Virginia;

(4) The auctioneer delivers purchased property to a location in the State of West Virginia; or

(5) The auctioneer is otherwise subject to the laws, including taxation authority, of the State of West Virginia.

~~(h) "Public auction" or "auction" means any public sale of real or personal property in any manner, whether in-person, via written offers or bids, or online, when offers or bids are made by prospective purchasers and the property sold to the highest bidder.~~

§19-2C-6a. Investigation of complaints; board of review.

(a) The Department of Agriculture may, upon its own action, and shall upon the verified written complaint of any person, investigate the actions of any auctioneer, apprentice auctioneer, any applicant for an auctioneer’s or apprentice auctioneer’s license, or any person who assumes to act in that capacity, if the complaint, together with other evidence presented in connection with it, establishes probable cause. Upon verification of the complaint, the department shall present the complaint to the board of review. The board of review shall consider all facts of the complaint and recommend a course of action to the commissioner.

(b) The board of review shall be appointed by the Governor, by and with the advice and consent of the Senate, and shall consist of ~~three~~ five members, each appointed for a staggered three-year term. ~~Two~~ Three members of the board of review shall be licensed auctioneers in West Virginia, one of which has experience performing auctions, and residents of this state and shall have been licensed and been practicing the profession of auctioneering for five years immediately preceding their appointment. ~~The third~~ One member shall be a lay person from the commercial or agricultural community who has utilized services of auctioneers for at least three years, and one member shall be a citizen member. No more than ~~two~~ three board members shall be from any one congressional district and no more than ~~two~~ three members shall be from the same political party.

(c) Board members shall receive ~~no compensation for their service on the board, but shall be entitled to~~ compensation for each day or portion of a day engaged in the discharge of official duties, which compensation may not exceed the amount paid to members of the Legislature for their interim duties as recommended by the Citizens Legislative Compensation Commission and authorized by law, and shall be entitled to reimbursement for expenses in accordance with the Department of Agriculture travel regulations.

(d) ~~There shall be no limit on the number of consecutive terms a member may serve on the board~~ Appointed members may be reappointed for up to two additional terms. All appointed members serve until their successor has been appointed and qualified. The Governor ~~is authorized to~~ may fill a vacancy when it occurs on the board for any reason. An appointment to fill a vacancy shall be for the remainder of the existing term of the vacant position.

§19-2C-10. Advertising.

(a) In advertising an auction sale by any licensed auctioneer, the principal auctioneer, or auctioneers who physically conduct the sale shall be listed prominently in such advertising as used by said auctioneer or auctioneers. The individual auctioneer or auctioneers who conduct the sale shall be the person or persons who call for, accept and close bids on the majority of items offered for sale.

(b) Any apprentice auctioneer who advertises, as provided in this section, shall indicate in his or her advertisement the name of the sponsoring auctioneer under whom he or she is licensed.

The auctioneer’s name and license number shall be displayed in equal prominence with the name of the apprentice auctioneer and license number in ~~such~~ the advertisement.

(c) Nothing in the provisions of this article ~~shall~~ may be construed so as to prohibit any other auctioneer, licensed pursuant to this article, from assisting with any auction, notwithstanding the failure to list the name of the other auctioneer in any advertising associated with such auction.

(d) Advertising prohibitions:

(1) It is unlawful to conduct or advertise that an auction is absolute if minimum opening bids are required, or other conditions are placed on the sale that limit the sale other than to the highest bidder.

(2) No property other than the property of a specified deceased person or the property of a specified living person’s estate may be sold at auction if the auction is conducted or advertised only as an estate auction. However, property other than that of the specified estate may be sold at the sale if all advertisements for the sale specify that items will be sold that do not belong to the estate and those items are identified at the sale.

(3) It is unlawful for a sale to be advertised as an auction that does not satisfy the definition of an auction set forth in this article.

ARTICLE 12. INSECT PESTS, PLANT DISEASES AND NOXIOUS WEEDS.

§19-12-2. Definitions.

The following definitions shall apply in the interpretation and enforcement of this article. All words shall be construed to import either the plural or the singular, as the case demands:

(a) "Certificate" means a document issued or authorized by the commissioner indicating that a regulated article is not contaminated with a pest.

(b) "Commissioner" means the Commissioner of Agriculture of the State of West Virginia and his or her duly authorized representatives.

(c) "Compliance agreement" means a written agreement between the department and any person engaged in growing, handling or moving articles, plants or plant products regulated under this article, wherein the person agrees to comply with stipulated requirements.

(d) "Dealer" means any person who buys, receives on consignment, or otherwise acquires and has in his or her possession nursery stock which that person has not grown from propagative material such as tissue culture plants, cuttings, liners, seeds or transplanted nursery stock for the purpose of offering or exposing for sale, reselling, reshipping or distributing same. Each separate location shall constitute a dealership.

(e) "Department" means the Department of Agriculture of the State of West Virginia.

(f) "Genetically modified organism" means any organism altered or produced through genetic modification from a donor, vector, or recipient organism using modern molecular techniques.

(g) "Host" means any plant or plant product upon which a pest is dependent for completion of any portion of its life cycle.

(h) "Infested area" means any area of uncontrolled growth of insects, plant diseases, noxious weeds or other plant pests.

(i) "Noxious weed" means any living plant, or part thereof, declared by the commissioner~~, after public hearing,~~ to be detrimental to crops, other desirable plants, waterways, livestock, land, or other property, or to be injurious to public health or the economy.

(j) "Nursery" means any grounds or premises on or in which nursery stock is being propagated or grown for sale or distribution, including any grounds or premises on or in which nursery stock is being fumigated, treated, packed, or stored or otherwise prepared or offered for sale or movement to other localities.

(k) "Nurseryman" means and includes any person who owns, leases, manages, or oversees a nursery.

(l) "Nursery stock" means all trees, shrubs and woody vines, including ornamentals, bush fruits, grapevines, fruit trees and nut trees, whether cultivated, native or wild, and all buds, grafts, scions, fruit pits, and cuttings from such plants. It also means sod, including sod plugs and sod-producing plants, and such herbaceous plants, including strawberry plants, narcissus plants and narcissus bulbs as the commissioner declares by rule to be so included whenever he or she considers control of the movement of such plants and bulbs necessary for the control of any destructive plant pest. Florists' or greenhouse plants for inside culture or use, unless declared otherwise by the commissioner, as herein authorized, shall not be considered nursery stock, except that all woody plants, whether greenhouse or field grown, if for outside planting, are hereby defined as nursery stock.

(m) "Permit" means a document issued or authorized by the commissioner to provide for a movement of regulated articles to restricted destinations for limited handling, utilization, or processing.

(n) "Person" means any individual or combination of individuals, partnership, corporation, company, society, association, governmental organization, or other business entity and each officer, agent or employee thereof.

(o) "Plant and plant products" mean trees, shrubs, vines; forage, fiber, cereal plants, and all other plants; cuttings, grafts, scions, buds, and lumber and all other parts of plants and plant products; and fruit, vegetables, roots, bulbs, seeds, and wood.

(p) "Plant pest" means any living stage of: Any insects, mites, nematodes, slugs, snails, protozoa, or other invertebrate animals, bacteria, fungi, other parasitic plants, or reproductive parts thereof, viruses or any organisms similar to or allied with any of the foregoing, or any infectious substances, and any genetically modified organisms for which there is reason to believe may directly or indirectly injure or cause disease or damage in any plants or parts thereof, or any processed, manufactured, or other products of plants.

(q) "Quarantine" means a legal declaration by the commissioner which specifies:

(1) The plant pest or noxious weeds.

(2) The articles to be regulated.

(3) Conditions governing movement.

(4) The area or areas quarantined.

(5) Exemptions.

(r) "Regulated article" means any article of any character, as described in quarantine or other order of the commissioner carrying or capable of carrying a pest.

ARTICLE 12D. WEST VIRGINIA NOXIOUS WEED ACT.

§19-12D-3. Definitions.

As used in this article:

(a) "Certificate" means a document issued by the commissioner indicating a regulated article is free of noxious weeds.

(b) "Commissioner" means the Commissioner of Agriculture of the State of West Virginia and his or her duly authorized representatives.

(c) "Infested" means the establishment of a noxious weed or exposure to ~~such~~ the weed in a way creating reasonable certainty that establishment will occur.

(d) "Move" means to ship, offer for shipment, receive for transportation, carry, or otherwise transport, move or allow to be moved.

(e) "Noxious weed" means any living plant, or part thereof, declared by the commissioner~~, after public hearing,~~ to be detrimental to crops, other desirable plants, waterways, livestock, land or other property, or to be injurious to public health or the economy.

(f) "Permit" means a document issued by the commissioner to provide for movement of regulated articles to restricted destinations for limited handling, utilization, processing, or for scientific purposes.

(g) "Person" means any individual or combination of individuals, partnership, corporation, company, society, association, firm, or other business entity and each officer, agent or employee thereof; the state and federal government and any department, agency, or subdivision thereof; or any other entity.

(h) "Quarantine" means a legal declaration by the commissioner specifying:

(1) The common and scientific name of the noxious weed.

(2) The articles to be regulated.

(3) The conditions governing movement.

(4) Exemptions.

(i) "Regulated article" means any article of any character which is transporting or which can transport any noxious weed.

(j) "Reasonable notification" means at least 48 hours.

§19-12D-4. Administration of article; promulgation of ~~regulations~~ rules.

(a) The commissioner shall administer and enforce the provisions of this article and shall have authority to issue ~~regulations~~ rules ~~after a public hearing following due notice to all interested persons~~ in conformance with the provisions of the state administrative procedures set forth in chapter 29A of this code.

(b) In issuing such ~~regulations~~ rules, the commissioner shall give consider pertinent research findings and recommendations of other agencies of the state, the federal government, and other reliable sources.

§19-12D-5. Surveys for noxious weeds; multiflora rose.

(a) The commissioner shall make surveys for noxious weeds and when it is determined that an infestation exists within the state he or she may, by ~~regulation~~ rule, ~~after public hearing held in accordance with procedures set forth in chapter twenty-nine-a of this code~~ declare the weed to be noxious.

(b) Multiflora rose, Rosa multiflora, is a detriment to agriculture in West Virginia and is hereby declared to be a noxious weed.

ARTICLE 36. agrItourism RESPONSIBILITY ACT.

§19-36-2. Definitions.

Unless the context of usage clearly requires otherwise:

"Agritourism" activity means any lawful activity carried out on a farm or ranch that allows members of the general public for recreational, entertainment, or educational purposes to view or enjoy rural activities.

"Agritourism business" means any person, fiduciary, firm, association, partnership, limited liability company, corporation, unit of government, or any other group or entity which is engaged in the business of providing one or more agritourism activities, whether or not for compensation.

"Agritourism professional" means owners, operators, employees, and volunteers working for or under the direction of the operators of an agritourism business.

"Farm" or "ranch" means an area of land used for the production, cultivation, growing, harvesting, or processing of agricultural products, including horticulture, grazing, and livestock as defined in §19-10B-2 of this code.

"Inherent risks of agritourism activity" are those dangers or conditions that are part of an agritourism activity including certain hazards, natural conditions of land and terrain, vegetation, and waters, the behavior of wild or domestic animals, and ordinary dangers of structures or equipment ordinarily used in farming and ranching operations. Inherent risks of agritourism activity also include the potential of a participant to act in a negligent manner that may contribute to injury to the participant or others, including failing to follow instructions given by the agritourism professional or failing to exercise reasonable caution while engaging in the agritourism activity.

"Participant" as used in this article means any person, other than the agritourism professional, who engages in an agritourism activity.

**ARTICLE 39. CERTAIN RESTRICTIONS ON OWNERSHIP OF AGRICULTURAL LAND.**

**§19-39-1. Definitions.**

For purposes of this article:

"Agricultural land" means land suitable for use in farming.

"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.

"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.

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

"Nonresident alien" means an individual who is neither a citizen of the United States nor

a person lawfully admitted into the United States for permanent residence by the United States immigration and naturalization service: *Provided*, That an individual is lawfully admitted for permanent residence regardless of whether the individual’s lawful permanent resident status is conditional.

**§19-39-2. Right to acquire nonagricultural land.**

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 to the real property as a citizen and resident of the United States.

**§19-39-3. Restriction on agricultural land holdings.**

(a) 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 July 1, 2023, may continue to own or hold the land, but shall not purchase or otherwise acquire additional agricultural land in this state.

(b) A person or entity who acquires agricultural land in violation of this section or who fails to convert the land to purposes other than farming within five years, remains in violation of this section for as long as the person or entity holds an interest in the land.

(c) The restriction set forth in subsection (a) of this section does not apply to the following:

(1) Agricultural land acquired by devise or descent;

(2) A bona fide encumbrance on agricultural land taken for purposes of security; and

(3) 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: *Provided*, That agricultural land so acquired shall be sold or otherwise disposed of within five years after the 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 any other restrictions. Agricultural land which has been acquired pursuant to this subdivision shall not be acquired or used by the nonresident alien, foreign business, or foreign government, or an agent, trustee, or fiduciary thereof for agricultural research or experimental purposes.

(d) 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 in an amount greater than 300 acres: *Provided*, That a nonresident alien, foreign business, or foreign government, or an agent, trustee, or fiduciary thereof who lawfully owns over 300 acres on July 1, 2023, may continue to own or hold the land, but shall not purchase or otherwise acquire additional agricultural land in this state except as provided for in subsection (c) of this section. Pending the development of the agricultural land for purposes 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 any other restriction on the increase in agricultural land holdings imposed in this article.

(e) 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 as provided for in subsection (c) of this section.

**§19-39-4. Development of agricultural land acquired for nonfarming purposes.**

Development of the agricultural land which is not subject to the restrictions of this article, because the land or interest in the land was acquired for an immediate or pending use other than farming, shall be converted to a purpose other than farming within five years following the acquisition of the agricultural land or the acquisition of the interest in the agricultural land.

**§19-39-5. Agricultural 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 July 1, 2023, shall divest itself of all right, title, and interest in the land within five 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 the land or an interest in the land was acquired by any nonresident alien prior to July 1, 2023.

**§19-39-6. Change of status; divestment.**

A person or entity which purchases or otherwise acquires agricultural land in this state except by devise or descent after July 1, 2023, and whose status changes so that it becomes a foreign business or nonresident alien subject to this article shall divest itself of all right, title, and interest in the land within five years from the date that its status changed.

**§19-39-7. 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 July 1, 2023, shall register the agricultural land with the Commissioner of Agriculture. The registration shall be made within 60 days after July 1, 2023, or within 60 days after acquiring the land or the interest in the land, whichever time is the later. The registration shall be in the form and manner prescribed by the commissioner and shall contain the name of the owner and the location and number of acres of the agricultural land by county. If the owner of the agricultural land or owner of the interest in agricultural land is an agent, trustee, or fiduciary of a nonresident alien, foreign business, or foreign government, the registration shall also include the name of any principal for whom that land, or interest in that land, was purchased through an agent.

**§19-39-8. Reports.**

A nonresident alien, foreign business, or foreign government, or an agent, trustee, or fiduciary thereof who acquires agricultural land not subject to the restrictions of §19-39-3 of this code because the land was acquired for an immediate or pending use other than farming, shall file a report with the Commissioner of Agriculture before July 1 of each year. The report shall be in the form and manner prescribed by the commissioner and shall contain the following:

(1) The name of the owner of the agricultural land or owner of the interest in the agricultural land;

(2) If the owner of the agricultural land or interest in the agricultural land is an agent, trustee, or fiduciary of a nonresident alien, foreign business, or foreign government, the name of any principal for whom that land or interest in that land was acquired as agent;

(3) The location and number of acres of the agricultural land by city and county;

(4) The date the agricultural land or interest in the agricultural land was acquired;

(5) The immediate or pending use other than farming for which the agricultural land or interest in the agricultural land was acquired and the status of the land’s development for the purpose other than farming; and

(6) The present use of the agricultural land.

**§19-39-9. Enforcement.**

(a) If the Commissioner of Agriculture 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 §19-39-3 of this code, has failed to timely register as required under §19-39-7 of this code, or has failed to timely report as required under §19-39-8 of this code, the Commissioner of Agriculture shall report the violation to the Attorney General.

(b) Upon receipt of the report from the Commissioner of Agriculture, the Attorney General may, following a review of the report and any further applicable facts, initiate an action in the circuit court of any county in which the land is located.

(c) If the circuit court finds that the land in question has been acquired or held in violation of §19-39-3 of this code, or has not been properly registered as required under §19-39-7 of this code, or has not been appropriately reported as required under §19-39-8 of this code, it shall enter an order finding a violation exists and shall file a copy of the order with the circuit clerk of the county in which any portion of the land is located. The circuit court shall also cause a copy of the order to be recorded with the county clerk in any county in which a portion of the land is located.

**§19-39-10. Escheat.**

If the circuit court finds that the agricultural land in question has been acquired in violation of this article or that the land has not been converted to a purpose other than farming within five years as required by §19-39-4 of this code, the circuit court shall enter an order declaring the land escheated to the state, and that title to the land shall be vested in the state in the name of the State Commissioner of Delinquent and Nonentered Lands by decree of the circuit court. Any real estate, acquired by the state under this section, shall be sold as soon as practicably possible in the same manner in which delinquent properties are sold pursuant to §11A-3-45 of this code. The circuit court order shall set forth the minimum bid for which the property will be sold. The proceeds of the sale shall be used to pay court costs, including the cost of appraisal should one be performed, the costs associated with the Auditor’s sale, and any outstanding penalties imposed pursuant to §19-39-11 of this code. The remaining funds, if any, shall be paid to the person or entity divested of the property but only in an amount not exceeding the actual cost paid by the person or entity for the purchase or acquisition of that property. Proceeds remaining after the payment of court costs, costs associated with the Auditor’s sale, and the payment to the person or entity divested of the property shall be deposited into the General Revenue Fund of the county or counties in which the land is located in proportion to the part of the land in each county.

**§19-39-11. Penalty for failure to timely file.**

A civil penalty of not more than $2,000 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 under §19-39-7 of this code or has failed to timely report as required under §19-39-8 of this code. Any penalty collected pursuant to this section shall be used by the Commissioner of Agriculture for the benefit of the Cedar Lakes Camp and Conference Center.