

1 AN ACT relating to the acquisition of agricultural land.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO
4 READ AS FOLLOWS:

5 **(1) As used in this section:**

6 **(a) "Agricultural land" has the same meaning as in 7 U.S.C. sec. 3508;**

7 **(b) "Fiduciary" has the same meaning as in KRS 131.010;**

8 **(c) "Foreign agent" has the same meaning as in 18 U.S.C. sec. 1839;**

9 **(d) "Foreign business" has the same meaning as in 26 C.F.R. sec. 301.7701-5;**

10 **(e) "Nonresident alien" has the same meaning as in 26 C.F.R. sec. 1.871-2;**

11 **and**

12 **(f) "Trustee" has the same meaning as in KRS 218A.405.**

13 **(2) Notwithstanding any other provision of law to the contrary, except as provided in**
14 **subsections (3) and (4) of this section, on or after the effective date of this Act, a**
15 **nonresident alien, foreign business, foreign agent, trustee, or fiduciary who has a**
16 **legal relationship with or is legally bound to take instruction from or execute**
17 **decisions for the government of any proscribed country referenced in 22 C.F.R.**
18 **sec. 126.1, as amended, shall be prohibited from:**

19 **(a) The purchase, lease, or acquisition of any interest in public or private**
20 **agricultural land located in the Commonwealth of Kentucky; and**

21 **(b) Participation in programs administered by the Department of Agriculture,**
22 **Agricultural Development Board, and Kentucky Agricultural Finance**
23 **Corporation.**

24 **(3) Any agricultural land purchased, leased, or acquired by a nonresident alien,**
25 **foreign business, foreign agent, trustee, or fiduciary who has a legal relationship**
26 **with or is legally bound to take instruction from or execute decisions for the**
27 **government of any proscribed country referenced in 22 C.F.R. sec. 126.1, as**

1 amended, prior to the effective date of this Act may continue to own or hold the
2 agricultural land, but shall not purchase, lease, or acquire any additional
3 agricultural land or interest in agricultural land in this Commonwealth.

4 (4) Nothing in this section shall prohibit:

5 (a) An existing foreign business who has a legal relationship with or is legally
6 bound to take instruction from or execute decisions for the government of
7 any proscribed country referenced in 22 C.F.R. sec. 126.1, as amended,
8 located in the Commonwealth, from purchasing, leasing, or acquiring
9 agricultural land adjacent to the land that the foreign business owns and
10 operates in order to expand the operation of its business; and

11 (b) A nonresident alien, foreign business, foreign agent, trustee, or fiduciary
12 who has a legal relationship with or is legally bound to take instruction
13 from or execute decisions for the government of any proscribed country
14 referenced in 22 C.F.R. sec. 126.1, as amended, from the purchase, lease, or
15 acquisition of up to three hundred fifty (350) acres of agricultural land for
16 agricultural research and development or experimental purposes, including
17 testing, development, or production of any crop production inputs for sale
18 or resale to farmers, including but not limited to seeds, plants, pesticides,
19 soil amendments, biologicals, or fertilizers.

20 (5) Nothing in this section shall exempt a nonresident alien, foreign business,
21 foreign agent, trustee, or fiduciary who has a legal relationship with or is legally
22 bound to take instruction from or execute decisions for the government of any
23 proscribed country referenced in 22 C.F.R. sec. 126.1, as amended, from:

24 (a) The provisions of the Agricultural Foreign Investment Disclosure Act, 7
25 U.S.C. sec. 3501 et. seq., and its accompanying regulations at 7 C.F.R. pt.
26 781 et. seq. or any amendments thereto; and

27 (b) Filing a copy of the required report pursuant to 7 U.S.C. sec. 3501 et. seq

1 and its accompanying regulations at 7 C.F.R. pt. 781 et. seq., or
2 amendments thereto, with the Department of Agriculture within the time
3 period specified therein.

4 (6) The Department of Agriculture shall review any report:

5 (a) Received in accordance with subsection (5) of this section; and

6 (b) Voluntarily submitted by a county register of deeds alleging a violation of
7 this section.

8 (7) If the Department of Agriculture has reason to believe that a violation of this
9 section may have occurred, the department shall refer evidence of noncompliance
10 to the Office of the Attorney General, who shall investigate the evidence for
11 violations of this section. The Office of the Attorney General may bring an action
12 pursuant to KRS Chapter 15 to enforce the provisions of this section.

13 (8) (a) If the court finds that agricultural land has been purchased or acquired in
14 violation of this section, then the court shall declare the agricultural land
15 escheated to the state and order the sale of the agricultural land in the
16 manner provided by law for the judicial foreclosure of a mortgage on real
17 estate for default of payment. After the Office of the Attorney General has
18 been reimbursed for all actual costs incurred from the enforcement of this
19 provision, the proceeds of the sale of the agricultural land pursuant to this
20 paragraph through judicial foreclosure shall be disbursed in the following
21 order:

22 1. Payment of delinquent ad valorem taxes;

23 2. Payment to mortgage and other lien holders, in the priority determined
24 by the court; and

25 3. Deposit in the Budget Reserve Trust Fund.

26 (b) If the court finds that agricultural land has been leased in violation of this
27 section, then the court shall rescind the lease and it shall be rendered null

1 *and void.*