

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE  
4

5 Legislative Document

No. 1125

6  
7 H.P. 871

House of Representatives, March 9, 1983

8 Referred to the Committee on Agriculture. Sent up for concurrence and  
9 ordered printed.

10 EDWIN H. PERT, Clerk

Presented by Representative Michael of Auburn.

Cosponsors: Representative McCollister of Canton and Senator Erwin of  
11 Oxford.

12 STATE OF MAINE  
13

14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-THREE  
16

17 AN ACT to Require Annual Disclosure of  
18 Interest in Agricultural Land in Maine.  
19

20 Be it enacted by the People of the State of Maine as  
21 follows:

22 Sec. 1. 7 MRSA c. 2 is enacted to read:

23 CHAPTER 2

24 INTERESTS IN AGRICULTURAL LAND

25 §31. Title

26 This chapter shall be known and may be cited as  
27 the "Agricultural Land Interest Act."

28 §32. Definitions

1 As used in this chapter, unless the context  
2 otherwise indicates, the following terms have the  
3 following meanings.

4 1. AFIDA. "AFIDA" means the Agricultural For-  
5 ign Investment Disclosure Act of 1978, United States  
6 Code, Title 7, Section 3501, et seq.

7 2. Agricultural land. "Agricultural land" means  
8 any land in Maine which is used or capable of use  
9 without substantial modification for production of  
10 agriculturally related products including, but not  
11 limited to, crops, livestock, poultry, dairy prod-  
12 ucts, timber, sod and forest and nursery products.

13 3. Commissioner. "Commissioner" means the Com-  
14 missioner of Agriculture, Food and Rural Resources or  
15 his authorized agents.

16 4. Family farm corporation. "Family farm corpo-  
17 ration" means a corporation founded for the purpose  
18 of farming and the ownership of agricultural land;  
19 the majority of the voting stock must be held by, and  
20 a majority of the shareholders must be, persons or  
21 the spouses of persons related to each other within  
22 the 3rd degree of kindred and at least one of the  
23 related persons must reside on or actively operate  
24 the farm; and none of the shareholders may be a cor-  
25 poration. A family corporation does not cease to  
26 qualify as such by reason of any bequest of voting  
27 stock.

28 5. Interest in land. "Interest in land" means  
29 all forms of direct or indirect ownership of land,  
30 except:

31 A. A leasehold of less than 5 years;

32 B. Contingent future interests;

33 C. Noncontingent future interests which do not  
34 become possessory upon the termination of the  
35 present possessory estate; and

36 D. Surface or subsurface easements and rights-  
37 of-way used for a purpose unrelated to agricul-  
38 tural production.

1           6. Person. "Person" means any individual, cor-  
2 poration, company, association, partnership, limited  
3 partnership, joint stock company, trust, estate or  
4 any other legal entity.

5           §33. Report required

6           1. Conditions requiring report. Any person who,  
7 on his own behalf or acting as a fiduciary or trustee  
8 on behalf of another, holds, acquires or transfers  
9 any interest in agricultural land shall submit an  
10 annual report to the commissioner not later than 90  
11 days after January 1st or the date of that acquisi-  
12 tion or transfer, whichever is earlier.

13           2. Contents of report. The report shall be in  
14 such form as the commissioner may require and shall  
15 contain:

16           A. The legal name and address of the person  
17 filing and type of legal entity;

18           B. The nature of the interest in agricultural  
19 land which that person has acquired or trans-  
20 ferred and the date of that activity;

21           C. The legal description and acreage of the  
22 agricultural land;

23           D. The use of the agricultural land at the date  
24 of acquisition or transfer and the use to which  
25 the land shall be put by the person acquiring it;

26           E. The appraised value of the agricultural land  
27 and the consideration given;

28           F. The name, address and type of legal entity of  
29 the person from whom acquired or to whom trans-  
30 ferred; and

31           G. Such other information as the commissioner  
32 may require by regulation adopted in a manner  
33 consistent with the Maine Administrative Proce-  
34 dure Act, Title 5, chapter 375.

35           3. AFIDA report. A person may fulfill the re-  
36 porting requirement of this section by submitting a  
37 copy of its federal AFIDA report.

1     §34. Exemptions

2             1. Agricultural land. A person holding, acquir-  
3 ing or transferring any interest in agricultural land  
4 shall not be required to comply with the requirements  
5 of section 33 in the following situations:

6             A. The agricultural land which is the subject of  
7 a single acquisition or transfer is less than 5  
8 acres; and

9             B. A family farm corporation as defined in  
10 section 32.

11     §35. Regulations

12             The commissioner may prescribe regulations in a  
13 manner consistent with the Maine Administrative  
14 Procedure Act, Title 5, chapter 375, for carrying out  
15 the purposes of this chapter.

16     §36. Penalties

17             Any person violating this chapter or regulations  
18 adopted thereunder or submitting a report which con-  
19 tains information that is false or misleading shall  
20 be subject to a civil penalty, payable to the State,  
21 of not more than \$50 for each day of the violation.

22             Sec. 2. 13-A MRSA §1201, sub-§3, ¶J, as enacted  
23 by PL 1971, c. 439, §1, is amended to read:

24             J. Owning real estate, except agricultural land  
25 in this State; and

26                                     STATEMENT OF FACT

27             This bill requires corporations, which are not  
28 family farm corporations, to file an annual report  
29 providing information regarding ownership of agricul-  
30 tural land. Corporations which own less than 5 acres  
31 of agricultural land are also exempted from the re-  
32 quirement to file an annual report with the Depart-  
33 ment of Agriculture, Food and Rural Resources.

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