

HOUSE OF REPRESENTATIVES

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM
2024 REGULAR SESSION
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Amend printed copy of **HB 575/HCS 1**

Beginning on page 1, line 3, and continuing through page 7, line 18, delete all text and insert in lieu thereof the following:

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

(1) As used in this section:

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

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

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

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

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

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

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

(a) The purchase, lease, or acquisition of any interest in public or private agricultural

Amendment No. HFA

Rep. Rep. Richard Heath

Committee Amendment _____

Signed: _____

Floor Amendment _____

LRC Drafter: _____

Adopted: _____

Date: _____

Rejected: _____

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- land located in the Commonwealth of Kentucky; and
- (b) Participation in programs administered by the Department of Agriculture, Agricultural Development Board, and Kentucky Agricultural Finance Corporation.
- (3) Any agricultural land purchased, leased, or acquired by a nonresident alien, foreign business, foreign agent, trustee, or fiduciary who has a legal relationship with or is legally bound to take instruction from or execute decisions for the government of any proscribed country referenced in 22 C.F.R. sec. 126.1, as amended, prior to the effective date of this Act may continue to own or hold the agricultural land, but shall not purchase, lease, or acquire any additional agricultural land or interest in agricultural land in this Commonwealth.
- (4) Nothing in this section shall prohibit:
- (a) An existing foreign business who has a legal relationship with or is legally bound to take instruction from or execute decisions for the government of any proscribed country referenced in 22 C.F.R. sec. 126.1, as amended, located in the Commonwealth, from purchasing, leasing, or acquiring agricultural land adjacent to the land that the foreign business owns and operates in order to expand the operation of its business; and
- (b) A nonresident alien, foreign business, foreign agent, trustee, or fiduciary who has a legal relationship with or is legally bound to take instruction from or execute decisions for the government of any proscribed country referenced in 22 C.F.R. sec. 126.1, as amended, from the purchase, lease, or acquisition of up to three hundred fifty (350) acres of agricultural land for agricultural research and development or experimental purposes, including testing, development, or production of any crop production inputs for sale or resale to farmers, including but not limited to seeds, plants, pesticides, soil amendments, biologicals, or

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- fertilizers.
- (5) Nothing in this section shall exempt a nonresident alien, foreign business, foreign agent, trustee, or fiduciary who has a legal relationship with or is legally bound to take instruction from or execute decisions for the government of any proscribed country referenced in 22 C.F.R. sec. 126.1, as amended, from:
- (a) The provisions of the Agricultural Foreign Investment Disclosure Act, 7 U.S.C. sec. 3501 et. seq., and its accompanying regulations at 7 C.F.R. pt. 781 et. seq. or any amendments thereto; and
- (b) Filing a copy of the required report pursuant to 7 U.S.C. sec. 3501 et. seq and its accompanying regulations at 7 C.F.R. pt. 781 et. seq., or amendments thereto, with the Department of Agriculture within the time period specified therein.
- (6) The Department of Agriculture shall review any report:
- (a) Received in accordance with subsection (5) of this section; and
- (b) Voluntarily submitted by a county register of deeds alleging a violation of this section.
- (7) If the Department of Agriculture has reason to believe that a violation of this section may have occurred, the department shall refer evidence of noncompliance to the Office of the Attorney General, who shall investigate the evidence for violations of this section. The Office of the Attorney General may bring an action pursuant to KRS Chapter 15 to enforce the provisions of this section.
- (8) (a) If the court finds that agricultural land has been purchased or acquired in violation of this section, then the court shall declare the agricultural land escheated to the state and order the sale of the agricultural land in the manner provided by law for the judicial foreclosure of a mortgage on real estate for default of payment. After the Office of the Attorney General has been reimbursed for all actual costs

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incurred from the enforcement of this provision, the proceeds of the sale of the agricultural land pursuant to this paragraph through judicial foreclosure shall be disbursed in the following order:

- 1. Payment of delinquent ad valorem taxes;**
- 2. Payment to mortgage and other lien holders, in the priority determined by the court; and**
- 3. Deposit in the Budget Reserve Trust Fund.**

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