

1973 Assembly Bill 354

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CHAPTER 238, Laws of 1973

AN ACT to create 182.001 of the statutes, relating to corporate farming.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

182.001 of the statutes is created to read:

182.001 Corporations prohibited from owning or carrying on farming operations.

(1) PROHIBITION. No corporation may own land on which to carry on farming operations under sub. (3) or carry on farming operations under sub. (3), unless the corporation meets the following standards:

(a) Its shareholders do not exceed 15 in number. Lineal ancestors and descendants and aunts, uncles and 1st cousins thereof count collectively as one shareholder for purposes of this paragraph, but this collective authorization shall not be used for more than one family in a single corporation.

(b) It does not have more than 2 classes of shares.

(c) All its shareholders, other than any estate, are natural persons.

(2) EXCEPTION. (a) Notwithstanding the prohibition in sub. (1), a corporation may own land on which to carry on farming operations if the land is acquired by bequest or devise or is acquired in the regular course of business in partial or full satisfaction of any mortgage, lien or other encumbrance held or owned by such corporation on the land, provided the land is sold or otherwise transferred within 5 years after such acquisition and provided such sale or transfer can be made at fair market value.

(b) This section does not apply to a small business investment corporation, or to any corporation acting as a personal representative or trustee or in any similar fiduciary capacity where the settlor and all the beneficiaries are natural persons or charities.

(c) This section does not apply to land:

1. Owned by a corporation on the effective date of this act (1973).

2. Acquired by a corporation in the normal expansion of land owned by the corporation and used for agricultural purposes on the effective date of this act (1973), provided that such expansion does not increase the acreage of such land by more than 20% in any 5-year period.

3. Acquired by a corporation to meet pollution control requirements.

(d) This section does not apply to farms engaged primarily in research, breeding operations or the production of any crop primarily for seed.

(e) This section does not apply to agricultural land acquired by a corporation for expansion or other corporate business purposes and such land may be used for farming operations if leased to a person not prohibited from engaging in farming operations under sub. (3).

(f) This section does not apply to the use of land prohibited under sub. (3) when such use is incidental to the principal purpose for which the property is held and which purpose is not prohibited by sub. (3).

(3) **PROHIBITED ACTIVITIES.** Those farming operations prohibited under this section are the production of dairy products not including the processing of such dairy products; the production of cattle, hogs and sheep; and the production of wheat, field corn, barley, oats, rye, hay, pasture, soy beans, millet and sorghum.

(4) **PENALTY FOR NONCOMPLIANCE.** Any corporation violating this section or any injunction or order issued hereunder shall forfeit not more than \$1,000 for each violation. Each day of violation shall constitute a separate offense. In addition, the district attorney of any county in which a corporation has acquired land on which to carry on farming operations or in which a corporation commences farming operations shall bring an action to enjoin such operations when it appears there is probable cause to believe that a violation of this section has occurred. The court may permit normal farming operations to be carried on when necessary to prevent loss or damage in any instance arising under this subsection. The action also shall request a court order requiring the corporation to divest itself of such land within a reasonable period of time.
