

CHAPTER 411, Laws of 1977

AN ACT to amend 182.001 (title), (1) (intro.), (a) and (c), (2) (a), (b) and (e) and (4); and to create 182.001 (2) (c) 4 of the statutes, relating to restricting trust ownership and operation of farms.

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

SECTION 1. 182.001 (title), (1) (intro.), (a) and (c), (2) (a), (b) and (e) and (4) of the statutes are amended to read:

182.001 (title) Corporations and trusts prohibited from owning or carrying on farm operations. (1) PROHIBITION. (intro.) No corporation or trust may own land on which to carry on farming operations under sub. (3) or carry on farming operations under sub. (3), unless the corporation or trust meets the following standards:

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

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

(2) (a) Notwithstanding the prohibition in sub. (1), a corporation or trust 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 the~~ corporation or trust on the land, provided the land is sold or otherwise transferred within 5 years after such acquisition and provided ~~such the~~ 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~~ trust meets the standards under sub. (1).

(e) This section does not apply to agricultural land acquired by a corporation or trust for expansion or other corporate or trust 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).

(4) PENALTY FOR NONCOMPLIANCE. Any corporation or trust violating this section or any injunction or order issued ~~hereunder~~ under this section 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 or trust has acquired land on which to carry on farming operations or in which a corporation or trust 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 or trust to divest itself of such land within a reasonable period of time.

SECTION 2. 182.001 (2) (c) 4 of the statutes is created to read:

182.001 (2) (c) 4. Owned by a trust on the effective date of this act (1977).