

118TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To ban new corporate ownership of agricultural land, and for other purposes.

---

IN THE SENATE OF THE UNITED STATES

---

Mr. BOOKER introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

---

**A BILL**

To ban new corporate ownership of agricultural land, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Farmland for Farmers  
5 Act of 2023”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

- 8 (1) it is the longstanding policy of the United  
9 States to foster and encourage the family farm sys-  
10 tem of agriculture in the United States;

1           (2) the maintenance of the family farm system  
2 of agriculture is essential to the social and economic  
3 wellbeing and national security of the United States;

4           (3) agricultural land is—

5                 (A) a critical and limited resource of the  
6 United States that provides needed food and  
7 fiber for the people of the United States and  
8 others throughout the world; and

9                 (B) a source of wealth, including  
10 generational wealth, for the people of the  
11 United States;

12           (4) since the 2008 financial crisis, corporations  
13 and, in particular, pension funds, have increasingly  
14 turned to farmland investment;

15           (5) from 2009 to 2022—

16                 (A) the number of institutionally-owned  
17 farm properties rose three-fold; and

18                 (B) the market value of that property in-  
19 creased from less than \$2,000,000,000 to more  
20 than \$14,000,000,000;

21           (6) large corporate investors that own farm-  
22 land—

23                 (A) are more focused on short-term profits  
24 than long-term land conservation; and

1 (B) have less interest than independent  
2 family farmers in ensuring that agricultural  
3 land is used in a way that most benefits the  
4 local community;

5 (7) since 2005, farmland prices in the United  
6 States have nearly doubled;

7 (8) higher farmland prices provide an advan-  
8 tage to well-capitalized corporate interests who can  
9 often outbid independent family farmers;

10 (9) continued expansion of ownership and con-  
11 trol of agricultural land by corporate owners, espe-  
12 cially institutional investors—

13 (A) threatens the future use of the agricul-  
14 tural land for the benefit of the people of the  
15 United States; and

16 (B) is detrimental to the welfare and na-  
17 tional security of the United States;

18 (10) the operational scope and economic im-  
19 pacts of corporate ownership of agricultural land—

20 (A) is increasingly interstate; and

21 (B) directly affects the continued wellbeing  
22 and security of millions of residents of rural  
23 communities; and

24 (11) there is a national public interest in regu-  
25 lating corporate ownership of agricultural land.

1 **SEC. 3. DEFINITIONS.**

2 In this Act:

3 (1) **ACTIVELY ENGAGED IN FARMING.**—

4 (A) **IN GENERAL.**—The term “actively en-  
5 gaged in farming”, with respect to a natural  
6 person who is a shareholder in an authorized  
7 legal entity, an officer, a director, or an em-  
8 ployee of an authorized legal entity, a member  
9 or manager of an authorized legal entity, a  
10 partner in an authorized legal entity, a bene-  
11 ficiary or trustee of an authorized legal entity,  
12 or any other individual, means—

13 (i) regularly and frequently making or  
14 taking an important part in making man-  
15 agement decisions substantially contrib-  
16 uting to or affecting the operation of a  
17 farm or forest; or

18 (ii) performing physical work, which  
19 significantly contributes to cultivation,  
20 stewardship, crop or livestock production,  
21 or food production.

22 (B) **EXCLUSION.**—The term “actively en-  
23 gaged in farming” does not include solely pro-  
24 viding capital.

25 (2) **AGRICULTURAL LAND.**—The term “agricul-  
26 tural land” means land located in a State that—

1 (A) is cropland, grassland, rangeland, pas-  
2 ture, forestland or other agricultural land on  
3 which agricultural or forest-related products or  
4 livestock are produced; or

5 (B) if the land is idle as of the date of  
6 transfer of an ownership interest in the land,  
7 was used within the 10-year period preceding  
8 the date of that transfer for production of agri-  
9 cultural or forest-related products or livestock.

10 (3) AUTHORIZED FARMER OR RANCHER COOP-  
11 ERATIVE.—The term “authorized farmer or rancher  
12 cooperative” means a farmer-controlled or rancher-  
13 controlled entity—

14 (A) with bylaws requiring 1 vote per mem-  
15 ber;

16 (B) from which benefits are derived and  
17 distributed equitably by each of the farmer or  
18 rancher owners;

19 (C) the members of which are actively en-  
20 gaged in farming; and

21 (D) that is not a subsidiary of, or owned  
22 in any part by, a multilayer subsidiary entity.

23 (4) AUTHORIZED LEGAL ENTITY.—The term  
24 “authorized legal entity” means a legal entity that  
25 meets each of the following requirements:

1 (A) The legal entity is not a subsidiary of,  
2 or owned in any part by, a multilayered sub-  
3 sidiary entity.

4 (B) The shareholders, partners, members,  
5 or beneficial owners of the legal entity do not  
6 exceed 25.

7 (C) The shareholders, partners, members,  
8 or beneficial owners of the legal entity are all  
9 natural persons who are actively engaged in  
10 farming.

11 (5) BENEFICIAL OWNER.—The term “beneficial  
12 owner”, with respect to a legal entity, means any  
13 person who, directly or indirectly, through any con-  
14 tract, arrangement, understanding, relationship, or  
15 otherwise, has or shares—

16 (A) voting power, including the power to  
17 vote for, or to direct the voting of, the legal en-  
18 tity; or

19 (B) investment power, including the power  
20 to dispose, or to direct the disposition, of an in-  
21 terest in the legal entity.

22 (6) CORPORATION.—The term “corporation”  
23 means—

24 (A) a domestic corporation organized pur-  
25 suant to the laws of a State; and

1 (B) a foreign corporation.

2 (7) FIDUCIARY CAPACITY.—The term “fidu-  
3 ciary capacity” means an undertaking to act as ex-  
4 ecutor, administrator, personal representative,  
5 guardian, conservator, or receiver.

6 (8) INDIRECT.—The term “indirect” means to  
7 act, or attempt to accomplish an act, through an in-  
8 terest in a business association, through 1 or more  
9 affiliates or intermediaries, or by any method other  
10 than a direct approach, including by any circuitous  
11 or oblique method.

12 (9) INSTITUTION OF HIGHER EDUCATION.—The  
13 term “institution of higher education” has the  
14 meaning given the term in section 101(a) of the  
15 Higher Education Act of 1965 (20 U.S.C. 1001(a)).

16 (10) LEGAL ENTITY.—The term “legal entity”  
17 means any corporation, business trust, estate, trust,  
18 partnership, limited liability company, association,  
19 joint venture, public corporation, cooperative, pen-  
20 sion or investment fund, or any other legal or com-  
21 mercial entity organized or created under the laws of  
22 any State or country.

23 (11) MULTILAYER SUBSIDIARY ENTITY.—The  
24 term “multilayer subsidiary entity” means—

1 (A) a privately held or publicly traded legal  
2 entity that exists within a hierarchy of legal en-  
3 tities that includes 2 or more levels of sub-  
4 sidiary entities;

5 (B) a privately held or publicly traded legal  
6 entity that has as its parent or subsidiary a  
7 management or holding company; or

8 (C) a privately held or publicly traded legal  
9 entity that engages in intramarket transfers  
10 using special purpose vehicles.

11 (12) NATURAL PERSON.—The term “natural  
12 person” means a human being.

13 (13) OWNERSHIP INTEREST.—

14 (A) IN GENERAL.—The term “ownership  
15 interest”, with respect to agricultural land,  
16 means all interest acquired, transferred, or held  
17 in the agricultural land.

18 (B) EXCLUSIONS.—The term “ownership  
19 interest”, with respect to agricultural land, does  
20 not include—

21 (i) security interests;

22 (ii) contingent future interests;

23 (iii) noncontingent future interests  
24 that do not become possessory on the ter-  
25 mination of the present possessory estate;



1 (iv) surface or subsurface easements  
2 and rights-of-way used for a purpose unre-  
3 lated to agricultural production; and

4 (v) an interest solely in mineral  
5 rights.

6 (14) PENSION OR INVESTMENT FUND.—The  
7 term “pension or investment fund” means—

8 (A) a pension or employee welfare benefit  
9 fund (however organized);

10 (B) a mutual fund;

11 (C) a life insurance company separate ac-  
12 count;

13 (D) a common trust of a bank or other  
14 trustee established for the investment and rein-  
15 vestment of money contributed to the common  
16 trust;

17 (E) a real estate investment trust; and

18 (F) an investment company (as defined in  
19 section 3(a) of the Investment Company Act of  
20 1940 (15 U.S.C. 80a-3(a))).

21 (15) SECRETARY.—The term “Secretary”  
22 means the Secretary of Agriculture.

23 (16) STATE.—The term “State” means—

24 (A) each of the 50 States;

25 (B) the District of Columbia;

- 1 (C) the Commonwealth of Puerto Rico;  
2 (D) the United States Virgin Islands; and  
3 (E) any territory or insular possession sub-  
4 ject to the jurisdiction of the United States.

5 (17) TRUST.—

6 (A) IN GENERAL.—The term “trust”, with  
7 respect to property, means a fiduciary relation-  
8 ship that subjects the person by whom the  
9 property is held to equitable duties to deal with  
10 the property for the benefit of another person,  
11 which arises as a result of a manifestation of an  
12 intention to create the fiduciary relationship.

13 (B) INCLUSIONS.—The term “trust” in-  
14 cludes a legal entity holding property as trust-  
15 ee, agent, escrow agent, attorney-in-fact, or in  
16 any similar capacity.

17 (C) EXCLUSIONS.—The term “trust” does  
18 not include—

- 19 (i) a person acting in a fiduciary ca-  
20 pacity; or  
21 (ii) a revocable trust.

22 (18) UNAUTHORIZED LEGAL ENTITY.—The  
23 term “unauthorized legal entity” means a legal enti-  
24 ty that is not an authorized legal entity.

1 **SEC. 4. RESTRICTIONS ON AGRICULTURAL LAND HOLD-**  
2 **INGS AND EXCEPTIONS.**

3 (a) IN GENERAL.—Except as provided in subsection  
4 (b), an unauthorized legal entity shall not, directly or indi-  
5 rectly, acquire or otherwise hold an ownership interest in  
6 any agricultural land.

7 (b) EXCEPTIONS.—

8 (1) IN GENERAL.—Subsection (a) shall not  
9 apply to the following:

10 (A) A bona fide encumbrance taken for  
11 purposes of security.

12 (B) Agricultural land acquired for research  
13 or experimental purposes.

14 (C) Agricultural land acquired and oper-  
15 ated—

16 (i) by or for a public institution of  
17 higher education for research, experi-  
18 mental, demonstration, or test purposes; or

19 (ii) by or for a nonprofit corporation  
20 organized specifically for research, experi-  
21 mental, demonstration, or test purposes in  
22 support of or in conjunction with an insti-  
23 tution of higher education.

24 (D) Agricultural land acquired by a legal  
25 entity for immediate use in non-agricultural

1 purposes, subject to the condition that the land  
2 remain in use for non-agricultural purposes.

3 (E) Agricultural land acquired by a legal  
4 entity by process of law in the collection of  
5 debts, pursuant to a contract for deed executed  
6 prior to the date of enactment of this Act, or  
7 by any procedure for the enforcement of a lien  
8 or claim on the agricultural land, whether cre-  
9 ated by mortgage or otherwise, if all agricul-  
10 tural land acquired is disposed of not later than  
11 5 years after the date on which the legal entity  
12 acquires the title to the agricultural land.

13 (F) Agricultural land acquired or owned by  
14 a municipal corporation.

15 (G) Agricultural land acquired or owned by  
16 a nonprofit legal entity that—

17 (i) is organized under the laws of any  
18 State as a nonprofit legal entity; and

19 (ii) qualifies as tax exempt under sec-  
20 tion 501 of the Internal Revenue Code of  
21 1986.

22 (H) Agricultural land that is acquired or  
23 owned by a legal entity in a fiduciary capacity.

24 (I) Agricultural land that is acquired or  
25 owned by a legal entity formed by owners of

1 heirs' property (as defined in section 761.2(b)  
2 of title 7, Code of Federal Regulations (or a  
3 successor regulation)).

4 (J) Agricultural land that is acquired or  
5 owned by an authorized farmer or rancher co-  
6 operative.

7 (K) Agricultural land owned by a legal en-  
8 tity on the date of enactment of this Act, sub-  
9 ject to the condition that the legal entity own-  
10 ing the land on that date of enactment con-  
11 tinues to own the agricultural land.

12 (2) RESEARCH OR EXPERIMENTAL PUR-  
13 POSES.—For purposes of paragraph (1)(B), agricul-  
14 tural land is acquired for research or experimental  
15 purposes if the agricultural land is used in accord-  
16 ance with any of the following:

17 (A) RESEARCH AND EXPERIMENTAL AC-  
18 TIVITIES.—

19 (i) IN GENERAL.—Research and ex-  
20 perimental activities are carried out on the  
21 agricultural land and commercial sales of  
22 products produced from farming the agri-  
23 cultural land do not occur or are incidental  
24 to those research or experimental activities.

1           (ii) INCIDENTAL SALES.—For pur-  
2           poses of clause (i), commercial sales are  
3           sales that are incidental to the research or  
4           experimental purposes of the legal entity  
5           when the sales are less than 25 percent of  
6           the gross sales of the primary product of  
7           the research and experimental activities  
8           carried out on the agricultural land.

9           (B) PUBLIC SEED VARIETIES.—

10           (i) IN GENERAL.—The agricultural  
11           land is used for the primary purpose of  
12           testing, developing, or producing public  
13           seed varieties or plants for sale or resale to  
14           farmers as seed stock and commercial sales  
15           of other products produced from farming  
16           the agricultural land do not occur or are  
17           incidental.

18           (ii) INCIDENTAL SALES.—For pur-  
19           poses of clause (i), commercial sales de-  
20           scribed in that clause are incidental if the  
21           sales are less than 25 percent of the gross  
22           sales of the primary product of the testing,  
23           development, or production of public seed  
24           varieties or plants for sale or resale to

1 farmers as seed stock carried out on the  
2 agricultural land.

3 (3) LAND ACQUIRED BY LAW.—For purposes of  
4 paragraph (1)(E)—

5 (A) the 5-year period described in that  
6 paragraph shall be a covenant running with the  
7 title to the agricultural land against any grant-  
8 ee, assignee, or successor of the legal entity;  
9 and

10 (B) any agricultural land acquired shall  
11 not be used for farming during the 5-year pe-  
12 riod described in that paragraph, except under  
13 a lease to an authorized legal entity in accord-  
14 ance with this Act.

15 **SEC. 5. COMPLIANCE.**

16 (a) CERTIFYING AFFIDAVIT.—For any acquisition of  
17 an ownership interest in agricultural land by a legal entity  
18 after the date of enactment of this Act, at the time of  
19 acquisition, the legal entity purchasing the agricultural  
20 land shall sign, and submit to the Secretary, an affidavit,  
21 under penalty of perjury, certifying compliance with this  
22 Act.

23 (b) FEDERAL TAX RETURN AFFIDAVIT.—Beginning  
24 with the first taxable year after the date of enactment of  
25 this Act, any legal entity with an ownership interest in

1 agricultural land shall file an affidavit along with the Fed-  
2 eral tax return submitted by the legal entity, under pen-  
3 alty of perjury, certifying compliance with this Act.

4 (c) **USDA PROGRAMS AND FARM CREDIT SYSTEM.**—  
5 Any legal entity applying to participate in any program  
6 of the Department of Agriculture or the Farm Credit Sys-  
7 tem after the date of enactment of this Act shall provide  
8 documentation that demonstrates compliance with this Act  
9 as a condition of eligibility for the program.

10 (d) **INELIGIBILITY.**—Any unauthorized legal entity  
11 that holds an ownership interest in agricultural land de-  
12 scribed in section 4(b)(1)(K) shall not be eligible to par-  
13 ticipate in any program of the Department of Agriculture  
14 or the Farm Credit System after the date of enactment  
15 of this Act.

16 (e) **REPORTS TO CONGRESS.**—Each calendar year,  
17 the Secretary shall submit to Congress, and make publicly  
18 available on the website of the Department of Agriculture,  
19 a report on violations of this Act discovered through affi-  
20 davits received under subsections (a) and (b) and docu-  
21 mentation received under subsection (c).

22 **SEC. 6. ENFORCEMENT.**

23 (a) **REFERRAL.**—If the Secretary determines that a  
24 legal entity has acquired, or holds title to or interest in,  
25 agricultural land in violation of this Act, the Secretary



1 shall report that violation to the Attorney General for en-  
2 forcement in accordance with subsection (b).

3 (b) ENFORCEMENT BY ATTORNEY GENERAL.—

4 (1) IN GENERAL.—On receipt of a referral of a  
5 violation of this Act reported by the Secretary pur-  
6 suant to subsection (a), the Attorney General—

7 (A) shall conduct an investigation relating  
8 to that referral; and

9 (B) may initiate an action in the district  
10 court of the United States with jurisdiction over  
11 the county in which the applicable agricultural  
12 land is located to require divestiture of the agri-  
13 cultural land by the legal entity.

14 (2) NOTICE; ORDER.—

15 (A) IN GENERAL.—The Attorney General  
16 shall file notice of the pendency of an action  
17 brought under paragraph (1)(B) with the re-  
18 corder of deeds of each county in which the ap-  
19 plicable agricultural land is located.

20 (B) ORDER REQUIRED.—If the applicable  
21 district court of the United States finds that  
22 the agricultural land subject to an action  
23 brought under paragraph (1)(B) was acquired,  
24 or held, in violation of this Act, the court  
25 shall—

1 (i) enter an order declaring that viola-  
2 tion; and

3 (ii) file a copy of the order with the  
4 recorder of deeds in each county in which  
5 any portion of the agricultural land is lo-  
6 cated.

7 (3) DIVESTMENT OF AGRICULTURAL LAND.—

8 (A) IN GENERAL.—On issuance of an  
9 order described in paragraph (2)(B), the unau-  
10 thorized legal entity owning or having an own-  
11 ership interest in the agricultural land subject  
12 to that order shall have a period of 1 year from  
13 the date on which the order was issued to divest  
14 the agricultural land.

15 (B) COVENANT.—The 1-year period de-  
16 scribed in subparagraph (A) shall be deemed to  
17 be a covenant running with the title to the agri-  
18 cultural land against any legal entity, grantee,  
19 assignee, or successor.

20 (C) VIOLATION.—Any agricultural land  
21 not divested in accordance with subparagraph  
22 (A) shall be sold at public sale in the manner  
23 prescribed by law for the foreclosure of a mort-  
24 gage by action.

1           (4) ENJOINMENT.—Any prospective or threat-  
2           ened violation of this Act may be enjoined through  
3           an action brought by the Attorney General in a  
4           manner provided by law.

5           (5) PENALTIES.—

6           (A) CIVIL PENALTIES.—

7           (i) IN GENERAL.—Any natural person  
8           or legal entity that violates this Act may  
9           be assessed a civil penalty by the Secretary  
10          in an amount that is not more than 2  
11          times the fair market value of the agricul-  
12          tural land at issue for each violation.

13          (ii) MULTIPLE VIOLATIONS.—Each  
14          violation of this Act shall constitute a sep-  
15          arate offense.

16          (iii) NOTICE.—No penalty shall be as-  
17          sessed on any natural person or legal enti-  
18          ty unless the natural person or legal entity  
19          is given notice and opportunity for a hear-  
20          ing with respect to the violation.

21          (iv) FAILURE TO PAY.—

22                (I) IN GENERAL.—On failure to  
23                pay the penalty assessed under clause  
24                (i), the Secretary may request the At-  
25                torney General institute a civil action

1 in a district court of the United  
2 States for any district in which the  
3 natural person or legal entity is  
4 found, resides, or transacts business  
5 to collect the penalty.

6 (II) DEFERENCE.—In any action  
7 commenced under subclause (I), the  
8 applicable district court of the United  
9 States shall sustain the issuance of a  
10 penalty by the Secretary under clause  
11 (i) if supported by substantial evi-  
12 dence.

13 (B) CRIMINAL PENALTIES.—

14 (i) IN GENERAL.—Any natural person  
15 who knowingly violates this Act as a share-  
16 holder, partner, member, or beneficial  
17 owner of an unauthorized legal entity with  
18 an ownership interest in the agricultural  
19 land at issue shall be imprisoned for not  
20 more than 5 years, fined in accordance  
21 with section 3571 of title 18, United  
22 States Code, or both.

23 (ii) MULTIPLE VIOLATIONS.—Each  
24 violation of this Act shall constitute a sep-  
25 arate offense.

1 (c) ENFORCEMENT BY STATE ATTORNEYS GEN-  
2 ERAL.—

3 (1) IN GENERAL.—If the attorney general of a  
4 State has reason to believe that an interest of the  
5 residents of the State has been, or is, threatened or  
6 adversely affected by the engagement of an unau-  
7 thORIZED legal entity in a practice that violates this  
8 Act, or a regulation promulgated pursuant to this  
9 Act, the attorney general of the State may, as  
10 parens patriae, bring a civil action on behalf of the  
11 residents of the State in an appropriate district  
12 court of the United States—

13 (A) to enjoin that practice;

14 (B) to compel divestiture of the agricul-  
15 tural land;

16 (C) to obtain damages, restitution, or other  
17 compensation on behalf of the residents of the  
18 State;

19 (D) to obtain such other relief as the court  
20 considers appropriate; or

21 (E) to obtain a civil penalty in an amount  
22 determined under paragraph (2).

23 (2) CIVIL PENALTIES.—

24 (A) CALCULATION.—Subject to subpara-  
25 graph (B), for purposes of imposing a civil pen-

1           alty under paragraph (1)(E) with respect to an  
2           unauthorized legal entity that violates this Act,  
3           the amount determined under this paragraph is  
4           the amount obtained by multiplying—

5                   (i) the number of days that the unau-  
6                   thorized legal entity is not in compliance  
7                   with this Act; and

8                   (ii) an amount not greater than  
9                   \$3,000, as determined by the appropriate  
10                  district court of the United States.

11           (B) MAXIMUM TOTAL LIABILITY.—The  
12           total amount of civil penalties that may be im-  
13           posed with respect to an unauthorized legal en-  
14           tity that violates this Act shall not exceed the  
15           greater of \$1,000,000 and the fair market value  
16           of the ownership interest in agricultural land  
17           involved in the applicable action for all civil ac-  
18           tions brought against that unauthorized legal  
19           entity under paragraph (1) for that violation.

20           (3) INVESTIGATORY POWERS.—Nothing in this  
21           paragraph prevents the attorney general of a State  
22           from exercising the powers conferred on the attorney  
23           general by the laws of the State to conduct inves-  
24           tigations, to administer oaths or affirmations, or to

1       compel the attendance of witnesses or the production  
2       of documentary or other evidence.

3               (4) ACTIONS BY OTHER STATE OFFICIALS.—In  
4       addition to civil actions brought by State attorneys  
5       general under paragraph (1), any other officer of a  
6       State who is authorized by the State may bring a  
7       civil action under that paragraph, subject to the  
8       same requirements and limitations that apply under  
9       that paragraph to civil actions brought by the attor-  
10      ney general in the State.

11              (5) SAVINGS PROVISION.—Nothing in this sub-  
12      section prohibits an attorney general or other au-  
13      thorized official of a State from initiating or con-  
14      tinuing any proceeding in a court of the State for  
15      a violation of any civil or criminal law of the State.

16 **SEC. 7. STATE AUTHORITY.**

17       (a) IN GENERAL.—Pursuant to its powers under the  
18      Commerce Clause of section 8 of article I of the Constitu-  
19      tion of the United States, Congress hereby authorizes  
20      States to regulate legal entities that are permitted to own  
21      agricultural land within the State in a manner that is at  
22      least as restrictive as the manner described in this Act.

23       (b) INCLUSIONS.—Regulation under subsection (a)  
24      may include more restrictive requirements, including re-  
25      strictions that provide more stringent definitions of “ac-

1 tively engaged in farming”, notwithstanding whether the  
2 requirements are more burdensome for owners of agricul-  
3 tural land in a certain State, who are residing in other  
4 States, to satisfy.