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Nebraska Restrictions on Foreign Land Ownership

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CORNHUSKER ECONOMICS

Nebraska Restrictions on Foreign Land Ownership

Market Report	Yr Ago	4 Wks Ago	2/17/12
<u>Livestock and Products,</u>			
<u>Weekly Average</u>			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight.	\$109.41	\$125.29	\$129.15
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb.	139.00	181.21	189.41
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb.	131.00	152.73	156.62
Choice Boxed Beef, 600-750 lb. Carcass.	167.75	182.54	189.04
Western Corn Belt Base Hog Price Carcass, Negotiated.	80.36	84.00	84.18
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean.	89.87	85.15	86.52
Slaughter Lambs, Ch. & Pr., Heavy, Woolled, South Dakota, Direct.	162.62	148.38	*
National Carcass Lamb Cutout, FOB.	355.28	386.99	384.36
<u>Crops,</u>			
<u>Daily Spot Prices</u>			
Wheat, No. 1, H.W. Imperial, bu.	7.80	6.13	6.16
Corn, No. 2, Yellow Omaha, bu.	6.86	*	*
Soybeans, No. 1, Yellow Omaha, bu.	13.41	*	*
Grain Sorghum, No. 2, Yellow Dorchester, cwt.	11.50	10.64	10.95
Oats, No. 2, Heavy Minneapolis, MN, bu.	4.15	3.17	3.48
<u>Feed</u>			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton.	140.00	155.00	137.50
Alfalfa, Large Rounds, Good Platte Valley, ton.	72.50	137.50	145.00
Grass Hay, Large Rounds, Good Nebraska, ton.	*	100.00	100.00
Dried Distillers Grains, 10% Moisture, Nebraska Average.	*	202.50	197.50
Wet Distillers Grains, 65-70% Moisture, Nebraska Average.	*	70.63	74.50
*No Market			

The need for personal legal advice: this information is provided for educational purposes only. If you have questions regarding the sale or purchase of land, contact an attorney.

Nebraska is one of eight states that restrict the ownership of agricultural land by aliens (i.e., non-citizens). The other states are Iowa, Minnesota, Missouri, North Dakota, Oklahoma, South Dakota and Wisconsin. Foreign land ownership is generally unrestricted in the remaining states. Federal law does not restrict alien land ownership, but does require alien land owners to report ownership to the United States Department of Agriculture (USDA). This newsletter will (1) examine the extent of foreign land ownership within the United States and Nebraska, and (2) summarize Nebraska's laws restricting alien land ownership.

Alien Land Ownership. According to the most recent USDA report, citizens of other countries own approximately 1.8 percent of all privately held agricultural land in the U.S., which is approximately one percent of all land in the U.S. The states with the largest percentage of foreign ownership are Maine, 14.7 percent foreign owned; Hawaii, 8.8 percent; Alabama, 5.3 percent; Washington and Nevada, 5.2 percent; and Florida, 4.6 percent. Foreign ownership of land in Nebraska is about 0.01 percent, one of the smallest percentages in the U.S.

The foreign owners of U.S. land are from Canada, 30 percent; the Netherlands, 17 percent; Germany, 7 percent; the United Kingdom, 6 percent; and Denmark,



4 percent. Chinese citizens account for 0.003 percent of foreign-owned land in the U.S.

Fifty-five percent of the foreign-owned land is timber or forest land, while cropland is 15 percent and pasture and other agricultural land is 27 percent.

Of the 23,868 foreign-owned acres in Nebraska, over half, 12,916 acres, are in Dixon County. Lincoln County has 3,680 foreign-owned acres; Lancaster County 1,546 acres; Cheyenne County 1,265 acres; and Washington County 1,169 acres. No other county has more than 1,000 acres of foreign-owned land.

Nebraska Foreign Ownership Restrictions.

Foreign citizens and corporations not incorporated in Nebraska are prohibited from owning land, and from leasing land for more than five years. NRS §76-402. Land located within a city or village or within three miles thereof is exempted. NRS §76-414. Other exemptions include:

- land acquired in connection with manufacturing or industrial establishments, including petroleum storage, sale and distribution facilities (NRS § 76-413);
- real estate necessary for the construction and operation of railroads, public utilities and common carriers (NRS §76-412);
- land acquired by enforcement of a lien or other debt collection, provided that the land is divested (sold) within ten years (NRS §76-411);
- land inherited by resident aliens, provided it is divested (sold) within five years (NRS §§76-403, -405); and
- oil and gas leases (NRS §76-404).

Land held in violation of foreign ownership requirements escheates to the State of Nebraska (i.e. reverts to the state). But the foreign owners are entitled to compensation if their land escheats. The local county attorney is responsible for enforcing the Nebraska restrictions on foreign land ownership. NRS §76-408. Foreign owners may sell (and give good legal title to) the land using the Nebraska land partition statutes. NRS §76-409. It is not illegal for foreign persons or entities to take land as loan collateral or in satisfaction of a debt, so long as the foreign creditor sells the land within ten years after the foreign creditor acquires the land. NRS §76-411.

References:

Hamilton, Neil D., *Limitations on Acquisition of Agricultural Land*, ch. 123, in Harl, **Agricultural Law** (2011).

USDA, [Foreign Holdings of U.S. Agricultural Land as of February 28, 2010.](#)

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