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### NF95-209 Official Text of Initiative 300

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## Official Text of Initiative 300

*by J. David Aiken, Water and Agricultural Law Specialist*

Printed below is the official text of article XII, section 8(1) of the Nebraska Constitution, more popularly known as Initiative 300 or I300. The numbers in brackets [ ] are not part of the official text of I300 but have been added to facilitate reference to particular provisions of I300 in other Extension publications.

Sec. 8. (1)

[1] No corporation or syndicate shall acquire, or otherwise obtain an interest, whether legal, beneficial, or otherwise, in any title to real estate used for farming or ranching in this state, or engage in farming or ranching.

[2] Corporation shall mean any corporation organized under the laws of any state of the United States or any country or any partnership of which such corporation is a partner.

[3] Farming or ranching shall mean (i) the cultivation of land for the production of agricultural crops, fruit, or other horticultural products, or (ii) the ownership, keeping or feeding of animals for the production of livestock or livestock products.

[4] Syndicate shall mean any limited partnership organized under the laws of any state of the United States or any country, other than limited partnerships in which the partners are members of a family, or a trust created for the benefit of a member of that family, related to one another within the **fourth degree of kindred\*** according to the rules of civil law, or their spouses, at least one of whom is a person residing on or actively engaged in the day to day labor and management of the farm or ranch, and none of whom are nonresident aliens. This shall not include general partnerships.

These restrictions shall not apply to:

(A) A family farm or ranch corporation. Family farm or ranch corporation shall mean a corporation engaged in farming or ranching or the ownership of agricultural land, in which the majority of the voting stock is held by members of a family, or a trust created for the benefit of a member of that family, related to one another within the fourth degree of kindred\* according to the rules of civil law, or their

spouses, at least one of whom is a person residing on or actively engaged in the day to day labor and management of the farm or ranch and none of whose stockholders are non-resident aliens and none of whose stockholders are corporations or partnerships, unless all of the stockholders or partners of such entities are persons related within the fourth degree of kindred\* to the majority of stockholders in the family farm corporation.

These restrictions shall not apply to:

**(B)** Non-profit corporations.

These restrictions shall not apply to:

**(C)** Nebraska Indian tribal corporations.

These restrictions shall not apply to:

**(D)** Agricultural land, which, as of the effective date of this Act, is being farmed or ranched, or which is owned or leased, or in which there is a legal or beneficial interest in title directly or indirectly owned, acquired, or obtained by a corporation or syndicate, so long as such land or other interest in title shall be held in continuous ownership or under continuous lease by the same such corporation or syndicate, and including such additional ownership or leasehold as is reasonably necessary to meet the requirements of pollution control regulations. For the purposes of this exemption, land purchased on a contract signed as of the effective date of this amendment, shall be considered as owned on the effective date of this amendment.

These restrictions shall not apply to:

**(E)** A farm or ranch operated for research or experimental purposes, if any commercial sales from such farm or ranch are only incidental to the research or experimental objectives of the corporation or syndicate.

These restrictions shall not apply to:

**(F)** Agricultural land operated by a corporation for the purpose of raising poultry.

These restrictions shall not apply to:

**(G)** Land leased by alfalfa processors for the production of alfalfa.

These restrictions shall not apply to:

**(H)** Agricultural land operated for the purpose of growing seed, nursery plants, or sod.

These restrictions shall not apply to:

**(I)** Mineral rights on agricultural land.

These restrictions shall not apply to:

**(J)** Agricultural land acquired or leased by a corporation or syndicate for immediate or potential use for

nonfarming or nonranching purposes. A corporation or syndicate may hold such agricultural land in such acreage as may be necessary to its nonfarm or nonranch business operation, but pending the development of such agricultural land for nonfarm or nonranch purposes, not to exceed a period of five years, such land may not be used for farming or ranching except under lease to a family farm or ranch corporation or a non-syndicate and non-corporate farm or ranch.

These restrictions shall not apply to:

**(K)** Agricultural lands or livestock acquired by a corporation or syndicate by process of law in the collection of debts, or by any procedures for the enforcement of a lien, encumbrance, or claim thereon, whether created by mortgage or otherwise. Any lands so acquired shall be disposed of within a period of five years and shall not be used for farming or ranching prior to being disposed of, except under a lease to a family farm or ranch corporation or a non-syndicate and non-corporate farm or ranch.

These restrictions shall not apply to:

**(L)** A bona fide encumbrance taken for purposes of security.

These restrictions shall not apply to:

**(M)** Custom spraying, fertilizing, or harvesting.

These restrictions shall not apply to:

**(N)** Livestock futures contracts, livestock purchased for slaughter, or livestock purchased and resold within two weeks.

**[5]** If a family farm corporation, which has qualified under all the requirements of a family farm or ranch corporation, ceases to meet the defined criteria, it shall have fifty years, if the ownership of the majority of the stock of such corporation continues to be held by persons related to one another within the fourth degree of kindred or their spouses, and their landholdings are not increased, to either re-qualify as a family farm corporation or dissolve and return to personal ownership.

**[6]** The Secretary of State shall monitor corporate and syndicate agricultural land purchases and corporate and syndicate farming and ranching operations, and notify the Attorney General of any possible violations. If the Attorney General has reason to believe that a corporation or syndicate is violating this amendment, he or she shall commence an action in district court to enjoin any pending illegal land purchase, or livestock operation, or to force divestiture of land held in violation of this amendment. The court shall order any land held in violation of this amendment to be divested within two years. If land so ordered by the court has not been divested within two years, the court shall declare the land escheated to the State of Nebraska.

**[7]** If the Secretary of State or Attorney General fails to perform his or her duties as directed by this amendment, Nebraska citizens and entities shall have standing in district court to seek enforcement.

**[8]** The Nebraska Legislature may enact, by general law, further restrictions prohibiting certain agricultural operations that the legislature deems contrary to the intent of this section. (Adopted, Nov. 2, 1982.)

*\*The fourth degree of kindred is first cousins. Family relationships more distant than first cousins (e.g.*

*first cousins once removed and second cousins) would not qualify under I300.*

***File NF209 under: Farm Management***

***G-1; Farm Law***

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