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(Original Signature of Member)

119TH CONGRESS  
2D SESSION

# H. R.

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

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## IN THE HOUSE OF REPRESENTATIVES

Ms. TOKUDA introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

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# 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 2026”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

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

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

7           (3) agricultural land is—

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

12                 (B) a source of wealth, including  
13 generational wealth, for the people of the  
14 United States;

15           (4) since the 2008 financial crisis, corporations  
16 and, in particular, pension funds, have increasingly  
17 turned to farmland investment;

18           (5) from 2005 to 2025—

19                 (A) the number of institutionally-owned  
20 farm properties rose more than three-fold; and

21                 (B) the market value of that property in-  
22 creased from less than \$2,000,000,000 to more  
23 than \$16,000,000,000;

24           (6) large corporate investors that own farm-  
25 land—

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

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

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

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

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

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

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

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

22 (A) is increasingly interstate; and

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

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

3 **SEC. 3. DEFINITIONS.**

4           In this Act:

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

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

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

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

1 (B) EXCLUSION.—The term “actively en-  
2 gaged in farming” does not include solely pro-  
3 viding capital.

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

6 (A) is cropland, grassland, rangeland, pas-  
7 ture, forestland or other agricultural land on  
8 which agricultural or forest-related products or  
9 livestock are produced; or

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

15 (3) AUTHORIZED FARMER OR RANCHER COOP-  
16 ERATIVE.—The term “authorized farmer or rancher  
17 cooperative” means a farmer-controlled or rancher-  
18 controlled entity—

19 (A) with bylaws requiring 1 vote per mem-  
20 ber;

21 (B) from which benefits are derived and  
22 distributed equitably by each of the farmer or  
23 rancher owners;

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

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

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

6 (A) The legal entity is not a subsidiary of,  
7 or owned in any part by, a multilayered sub-  
8 sidiary entity.

9 (B) The shareholders, partners, members,  
10 or beneficial owners of the legal entity do not  
11 exceed 25.

12 (C) The shareholders, partners, members,  
13 or beneficial owners of the legal entity are all  
14 natural persons who are actively engaged in  
15 farming.

16 (5) BENEFICIAL OWNER.—The term “beneficial  
17 owner”, with respect to a legal entity, means any  
18 person who, directly or indirectly, through any con-  
19 tract, arrangement, understanding, relationship, or  
20 otherwise, has or shares—

21 (A) voting power, including the power to  
22 vote for, or to direct the voting of, the legal en-  
23 tity; or

1 (B) investment power, including the power  
2 to dispose, or to direct the disposition, of an in-  
3 terest in the legal entity.

4 (6) CORPORATION.—The term “corporation”  
5 means—

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

8 (B) a foreign corporation.

9 (7) FIDUCIARY CAPACITY.—The term “fidu-  
10 ciary capacity” means an undertaking to act as ex-  
11 ecutor, administrator, personal representative,  
12 guardian, conservator, or receiver.

13 (8) INDIRECT.—The term “indirect” means to  
14 act, or attempt to accomplish an act, through an in-  
15 terest in a business association, through 1 or more  
16 affiliates or intermediaries, or by any method other  
17 than a direct approach, including by any circuitous  
18 or oblique method.

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

23 (10) LEGAL ENTITY.—The term “legal entity”  
24 means any corporation, business trust, estate, trust,  
25 partnership, limited liability company, association,

1 joint venture, public corporation, cooperative, pen-  
2 sion or investment fund, or any other legal or com-  
3 mercial entity organized or created under the laws of  
4 any State or country.

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

7 (A) a privately held or publicly traded legal  
8 entity that exists within a hierarchy of legal en-  
9 tities that includes 2 or more levels of sub-  
10 sidiary entities;

11 (B) a privately held or publicly traded legal  
12 entity that has as its parent or subsidiary a  
13 management or holding company; or

14 (C) a privately held or publicly traded legal  
15 entity that engages in intramarket transfers  
16 using special purpose vehicles.

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

19 (13) OWNERSHIP INTEREST.—

20 (A) IN GENERAL.—The term “ownership  
21 interest”, with respect to agricultural land,  
22 means all interest acquired, transferred, or held  
23 in the agricultural land.

1 (B) EXCLUSIONS.—The term “ownership  
2 interest”, with respect to agricultural land, does  
3 not include—

4 (i) security interests;

5 (ii) contingent future interests;

6 (iii) noncontingent future interests  
7 that do not become possessory on the ter-  
8 mination of the present possessory estate;

9 (iv) surface or subsurface easements  
10 and rights-of-way used for a purpose unre-  
11 lated to agricultural production; and

12 (v) an interest solely in mineral  
13 rights.

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

16 (A) a pension or employee welfare benefit  
17 fund (however organized);

18 (B) a mutual fund;

19 (C) a life insurance company separate ac-  
20 count;

21 (D) a common trust of a bank or other  
22 trustee established for the investment and rein-  
23 vestment of money contributed to the common  
24 trust;

25 (E) a real estate investment trust; and

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

4 (15) SECRETARY.—The term “Secretary”  
5 means the Secretary of Agriculture.

6 (16) STATE.—The term “State” means—

7 (A) each of the 50 States;

8 (B) the District of Columbia;

9 (C) the Commonwealth of Puerto Rico;

10 (D) the United States Virgin Islands; and

11 (E) any territory or insular possession sub-  
12 ject to the jurisdiction of the United States.

13 (17) TRUST.—

14 (A) IN GENERAL.—The term “trust”, with  
15 respect to property, means a fiduciary relation-  
16 ship that subjects the person by whom the  
17 property is held to equitable duties to deal with  
18 the property for the benefit of another person,  
19 which arises as a result of a manifestation of an  
20 intention to create the fiduciary relationship.

21 (B) INCLUSIONS.—The term “trust” in-  
22 cludes a legal entity holding property as trust-  
23 ee, agent, escrow agent, attorney-in-fact, or in  
24 any similar capacity.

1 (C) EXCLUSIONS.—The term “trust” does  
2 not include—

3 (i) a person acting in a fiduciary ca-  
4 pacity; or

5 (ii) a revocable trust.

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

9 **SEC. 4. RESTRICTIONS ON AGRICULTURAL LAND HOLD-**  
10 **INGS AND EXCEPTIONS.**

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

15 (b) EXCEPTIONS.—

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

18 (A) A bona fide encumbrance taken for  
19 purposes of security.

20 (B) Agricultural land acquired for research  
21 or experimental purposes.

22 (C) Agricultural land acquired and oper-  
23 ated—

1 (i) by or for a public institution of  
2 higher education for research, experi-  
3 mental, demonstration, or test purposes; or

4 (ii) by or for a nonprofit corporation  
5 organized specifically for research, experi-  
6 mental, demonstration, or test purposes in  
7 support of or in conjunction with an insti-  
8 tution of higher education.

9 (D) Agricultural land acquired by a legal  
10 entity for immediate use in non-agricultural  
11 purposes, subject to the condition that the land  
12 remain in use for non-agricultural purposes.

13 (E) Agricultural land acquired by a legal  
14 entity by process of law in the collection of  
15 debts, pursuant to a contract for deed executed  
16 prior to the date of enactment of this Act, or  
17 by any procedure for the enforcement of a lien  
18 or claim on the agricultural land, whether cre-  
19 ated by mortgage or otherwise, if all agricul-  
20 tural land acquired is disposed of not later than  
21 5 years after the date on which the legal entity  
22 acquires the title to the agricultural land.

23 (F) Agricultural land acquired or owned by  
24 a municipal corporation.

1 (G) Agricultural land acquired or owned by  
2 a nonprofit legal entity that—

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

5 (ii) qualifies as tax exempt under sec-  
6 tion 501 of the Internal Revenue Code of  
7 1986.

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

10 (I) Agricultural land that is acquired or  
11 owned by a legal entity formed by owners of  
12 heirs' property (as defined in section 761.2(b)  
13 of title 7, Code of Federal Regulations (or a  
14 successor regulation)).

15 (J) Agricultural land that is acquired or  
16 owned by an authorized farmer or rancher co-  
17 operative.

18 (K) Agricultural land owned by a legal en-  
19 tity on the date of enactment of this Act, sub-  
20 ject to the condition that the legal entity own-  
21 ing the land on that date of enactment con-  
22 tinues to own the agricultural land.

23 (2) RESEARCH OR EXPERIMENTAL PUR-  
24 POSES.—For purposes of paragraph (1)(B), agricul-  
25 tural land is acquired for research or experimental

1 purposes if the agricultural land is used in accord-  
2 ance with any of the following:

3 (A) RESEARCH AND EXPERIMENTAL AC-  
4 TIVITIES.—

5 (i) IN GENERAL.—Research and ex-  
6 perimental activities are carried out on the  
7 agricultural land and commercial sales of  
8 products produced from farming the agri-  
9 cultural land do not occur or are incidental  
10 to those research or experimental activities.

11 (ii) INCIDENTAL SALES.—For pur-  
12 poses of clause (i), commercial sales are  
13 sales that are incidental to the research or  
14 experimental purposes of the legal entity  
15 when the sales are less than 25 percent of  
16 the gross sales of the primary product of  
17 the research and experimental activities  
18 carried out on the agricultural land.

19 (B) PUBLIC SEED VARIETIES.—

20 (i) IN GENERAL.—The agricultural  
21 land is used for the primary purpose of  
22 testing, developing, or producing public  
23 seed varieties or plants for sale or resale to  
24 farmers as seed stock and commercial sales  
25 of other products produced from farming

1           the agricultural land do not occur or are  
2           incidental.

3                   (ii) INCIDENTAL SALES.—For pur-  
4           poses of clause (i), commercial sales de-  
5           scribed in that clause are incidental if the  
6           sales are less than 25 percent of the gross  
7           sales of the primary product of the testing,  
8           development, or production of public seed  
9           varieties or plants for sale or resale to  
10          farmers as seed stock carried out on the  
11          agricultural land.

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

14                   (A) the 5-year period described in that  
15          paragraph shall be a covenant running with the  
16          title to the agricultural land against any grant-  
17          ee, assignee, or successor of the legal entity;  
18          and

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

1 **SEC. 5. COMPLIANCE.**

2 (a) **CERTIFYING AFFIDAVIT.**—For any acquisition of  
3 an ownership interest in agricultural land by a legal entity  
4 after the date of enactment of this Act, at the time of  
5 acquisition, the legal entity purchasing the agricultural  
6 land shall sign, and submit to the Secretary, an affidavit,  
7 under penalty of perjury, certifying compliance with this  
8 Act.

9 (b) **FEDERAL TAX RETURN AFFIDAVIT.**—Beginning  
10 with the first taxable year after the date of enactment of  
11 this Act, any legal entity with an ownership interest in  
12 agricultural land shall file an affidavit along with the Fed-  
13 eral tax return submitted by the legal entity, under pen-  
14 alty of perjury, certifying compliance with this Act.

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

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

1 (e) REPORTS TO CONGRESS.—Each calendar year,  
2 the Secretary shall submit to Congress, and make publicly  
3 available on the website of the Department of Agriculture,  
4 a report on violations of this Act discovered through affi-  
5 davits received under subsections (a) and (b) and docu-  
6 mentation received under subsection (c).

7 **SEC. 6. ENFORCEMENT.**

8 (a) REFERRAL.—If the Secretary determines that a  
9 legal entity has acquired, or holds title to or interest in,  
10 agricultural land in violation of this Act, the Secretary  
11 shall report that violation to the Attorney General for en-  
12 forcement in accordance with subsection (b).

13 (b) ENFORCEMENT BY ATTORNEY GENERAL.—

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

17 (A) shall conduct an investigation relating  
18 to that referral; and

19 (B) may initiate an action in the district  
20 court of the United States with jurisdiction over  
21 the county in which the applicable agricultural  
22 land is located to require divestiture of the agri-  
23 cultural land by the legal entity.

24 (2) NOTICE; ORDER.—

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

6 (B) ORDER REQUIRED.—If the applicable  
7 district court of the United States finds that  
8 the agricultural land subject to an action  
9 brought under paragraph (1)(B) was acquired,  
10 or held, in violation of this Act, the court  
11 shall—

12 (i) enter an order declaring that viola-  
13 tion; and

14 (ii) file a copy of the order with the  
15 recorder of deeds in each county in which  
16 any portion of the agricultural land is lo-  
17 cated.

18 (3) DIVESTMENT OF AGRICULTURAL LAND.—

19 (A) IN GENERAL.—On issuance of an  
20 order described in paragraph (2)(B), the unau-  
21 thorized legal entity owning or having an own-  
22 ership interest in the agricultural land subject  
23 to that order shall have a period of 1 year from  
24 the date on which the order was issued to divest  
25 the agricultural land.

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

6           (C) VIOLATION.—Any agricultural land  
7           not divested in accordance with subparagraph  
8           (A) shall be sold at public sale in the manner  
9           prescribed by law for the foreclosure of a mort-  
10          gage by action.

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

15          (5) PENALTIES.—

16                (A) CIVIL PENALTIES.—

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

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

1 (iii) NOTICE.—No penalty shall be as-  
2 sessed on any natural person or legal enti-  
3 ty unless the natural person or legal entity  
4 is given notice and opportunity for a hear-  
5 ing with respect to the violation.

6 (iv) FAILURE TO PAY.—

7 (I) IN GENERAL.—On failure to  
8 pay the penalty assessed under clause  
9 (i), the Secretary may request the At-  
10 torney General institute a civil action  
11 in a district court of the United  
12 States for any district in which the  
13 natural person or legal entity is  
14 found, resides, or transacts business  
15 to collect the penalty.

16 (II) DEFERENCE.—In any action  
17 commenced under subclause (I), the  
18 applicable district court of the United  
19 States shall sustain the issuance of a  
20 penalty by the Secretary under clause  
21 (i) if supported by substantial evi-  
22 dence.

23 (B) CRIMINAL PENALTIES.—

24 (i) IN GENERAL.—Any natural person  
25 who knowingly violates this Act as a share-

1 holder, partner, member, or beneficial  
2 owner of an unauthorized legal entity with  
3 an ownership interest in the agricultural  
4 land at issue shall be imprisoned for not  
5 more than 5 years, fined in accordance  
6 with section 3571 of title 18, United  
7 States Code, or both.

8 (ii) MULTIPLE VIOLATIONS.—Each  
9 violation of this Act shall constitute a sep-  
10 arate offense.

11 (c) ENFORCEMENT BY STATE ATTORNEYS GEN-  
12 ERAL.—

13 (1) IN GENERAL.—If the attorney general of a  
14 State has reason to believe that an interest of the  
15 residents of the State has been, or is, threatened or  
16 adversely affected by the engagement of an unau-  
17 thorized legal entity in a practice that violates this  
18 Act, or a regulation promulgated pursuant to this  
19 Act, the attorney general of the State may, as  
20 parens patriae, bring a civil action on behalf of the  
21 residents of the State in an appropriate district  
22 court of the United States—

23 (A) to enjoin that practice;

24 (B) to compel divestiture of the agricul-  
25 tural land;

1 (C) to obtain damages, restitution, or other  
2 compensation on behalf of the residents of the  
3 State;

4 (D) to obtain such other relief as the court  
5 considers appropriate; or

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

8 (2) CIVIL PENALTIES.—

9 (A) CALCULATION.—Subject to subpara-  
10 graph (B), for purposes of imposing a civil pen-  
11 alty under paragraph (1)(E) with respect to an  
12 unauthorized legal entity that violates this Act,  
13 the amount determined under this paragraph is  
14 the amount obtained by multiplying—

15 (i) the number of days that the unau-  
16 thorized legal entity is not in compliance  
17 with this Act; and

18 (ii) an amount not greater than  
19 \$3,000, as determined by the appropriate  
20 district court of the United States.

21 (B) MAXIMUM TOTAL LIABILITY.—The  
22 total amount of civil penalties that may be im-  
23 posed with respect to an unauthorized legal en-  
24 tity that violates this Act shall not exceed the  
25 greater of \$1,000,000 and the fair market value

1 of the ownership interest in agricultural land  
2 involved in the applicable action for all civil ac-  
3 tions brought against that unauthorized legal  
4 entity under paragraph (1) for that violation.

5 (3) INVESTIGATORY POWERS.—Nothing in this  
6 paragraph prevents the attorney general of a State  
7 from exercising the powers conferred on the attorney  
8 general by the laws of the State to conduct inves-  
9 tigation, to administer oaths or affirmations, or to  
10 compel the attendance of witnesses or the production  
11 of documentary or other evidence.

12 (4) ACTIONS BY OTHER STATE OFFICIALS.—In  
13 addition to civil actions brought by State attorneys  
14 general under paragraph (1), any other officer of a  
15 State who is authorized by the State may bring a  
16 civil action under that paragraph, subject to the  
17 same requirements and limitations that apply under  
18 that paragraph to civil actions brought by the attor-  
19 ney general in the State.

20 (5) SAVINGS PROVISION.—Nothing in this sub-  
21 section prohibits an attorney general or other au-  
22 thorized official of a State from initiating or con-  
23 tinuing any proceeding in a court of the State for  
24 a violation of any civil or criminal law of the State.

1 **SEC. 7. STATE AUTHORITY.**

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

8 (b) INCLUSIONS.—Regulation under subsection (a)  
9 may include more restrictive requirements, including re-  
10 strictions that provide more stringent definitions of “ac-  
11 tively engaged in farming”, notwithstanding whether the  
12 requirements are more burdensome for owners of agricul-  
13 tural land in a certain State, who are residing in other  
14 States, to satisfy.