

SAVE OREGON'S FAMILY FARMS, INC.
1313 S.E. 12th Avenue
Portland, Oregon 97214
Principal Sponsor

CHIEF PETITIONERS

W. C. Harris, 22108 Cook Road, Noti, Oregon 97461, President
Olga M. Nelson, 11391 S.W. Royal Villa Dr., Tigard, Oregon 97223, Secretary-Treasurer
Don S. Willner, One S.W. Columbia, Portland, Oregon 97258, Legal Counsel.

SPONSORS

Oregon State Grange, 1313 S.E. 12th Avenue, Portland, Oregon 97214
Oregon-Washington Farmers Union, 215 Front N.E., Salem, Oregon 97301
National Farmers Organization of Oregon, Rt. 1, Box 192, Monmouth, Oregon 97361
Oregon AFL-CIO, 105 High S.E., Salem, Oregon 97301

INITIATIVE PETITION ENDORSED BY:

Oregon Consumer League 3131 N.W. Luray Terrace, Portland, Oregon 97210
Submitting the following measure to the people for their approval or rejection;

BALLOT TITLE:

CONSTITUTIONAL AMENDMENT RESTRICTING FARMING BY CORPORATIONS

Proposed new constitutional article prohibits certain corporations from farming or owning farmlands except for specified limited purposes and circumstances. Prohibited corporations who presently own farmlands have ten years to dispose of the farmlands. Courts may order corporations to divest unlawfully held farmland.

AN INITIATIVE PETITION TO AMEND THE OREGON CONSTITUTION

The Constitution of the State of Oregon is amended by creating a new Article to be known as Article XIX and to read:

Section 1. As used in this Article:

- (1) "Agricultural land" means land used for farming.
- (2) "Authorized farm corporation" means a corporation whose shareholders do not exceed five in number, whose shareholders are all natural persons or estates, whose shares are all of one class, and whose revenues from rent, royalties, dividends, interest and annuities do not exceed 20 percent of its gross receipts.
- (3) "Farming" means the cultivation of land for the production of agricultural crops; livestock or livestock products; poultry or poultry products; milk or dairy products; or fruit or other horticultural products. "Farming" shall not include the production of timber or forest products or the use of timber lands for pasture nor shall "farming" include a contract whereby a processor or distributor of farm products or supplies provides spraying, harvesting or other farm services.
- (4) "Family farm" means an unincorporated farming unit owned by one or more persons residing on the farm or actively engaged in farming.

(5) "Family farm corporation" means a corporation founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the shareholders are persons or the spouses of persons related to each other within the third degree of kindred, and at least one of the related persons is a person residing on or actively operating the farm, and none of whose shareholders are corporations. However, a family farm corporation shall not cease to qualify as such under this Article by reason of any devise or bequest of shares of voting stock if such shares are transferred to an ownership permitted by this Article within five years.

Section 2. No corporation shall engage in farming; nor shall any corporation, directly or indirectly, own, acquire, or otherwise obtain an interest, whether legal, beneficial or otherwise, in any real estate used for farming. The restrictions provided in this section shall not apply to any of the following:

- (1) A bona fide encumbrance taken for purposes of security.
- (2) A family farm corporation or an authorized farm corporation.
- (3) A farm operated for research or experimental purposes; provided, that any commercial sales from such farm are only incidental to the research or experimental objectives of the corporation.
- (4) Not to exceed 160 acres of agricultural land operated by a corporation for the purpose of raising breeding stock for resale to farmers or operated for the purpose of growing seed, nursery plants or sod.
- (5) Land owned and farmed by an educational, religious or charitable non-profit corporation on the effective date of this Article, or such land leased for farming purposes by such corporation to a family farm, family farm corporation, or authorized farm corporation and without limitation or condition as to production or sale of products from the land.
- (6) Agricultural land acquired by a corporation other than a family farm corporation or authorized farm corporation for immediate or potential use for nonfarming purposes. A corporation may hold such agricultural land in such acreage as may be necessary to its nonfarm business operation. However, pending development of the agricultural land for nonfarm purposes, such land shall not be used for farming except under lease to a family farm, a family farm corporation or an authorized farm corporation and without limitation or condition as to production or sale of products from the land.
- (7) Agricultural lands acquired by a corporation by process of law in the collection of debts; or by a procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise. However, all lands so acquired must be disposed of within 10 years after acquiring an interest therein, and land so acquired shall not be used for farming during the 10-year period except under a lease to a family farm, a family farm corporation or an authorized farm corporation, and without limitation or condition as to production or sale of products from the land. The 10-year limitation period shall be deemed a covenant running with the land against any corporate grantee or assignee or the successor of such corporation unless that grantee, assignee or successor is otherwise qualified under this Article to engage in farming.

Section 3. The legislature shall adopt by law filing requirements for corporations engaged in farming or proposing to commence farming in this state after January 1, 1977, whereby information required for the enforcement of this Article shall be available.

Section 4. If the chief law officer of the state has reason to believe that a corporation is in violation of this Article, the chief law officer shall commence an action for appropriate relief, including divestiture. If the court finds that the lands in question are being held in violation of this Article, it shall enter an order so declaring and order divestiture and any other appropriate relief. Any corporation owning such land prior to the effective date of this Article shall have a period of 10 years from the date of such order to divest itself of such lands. The 10-year limitation period shall be deemed a covenant running with the land against any corporate grantee or assignee or the successor of such corporation unless the grantee, assignee or successor is otherwise qualified under this Article to engage in farming. Any lands not so divested within the time prescribed shall be sold at public sale in the manner prescribed by order of the court. Any prospective or threatened violation of this Article may be enjoined in the manner provided by law.

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