

HOUSE BILL No. 2404

By Committee on Taxation

3-18

SO - Sloan Balloon 1 - 3/21/13

1 AN ACT concerning agricultural corporations; amending K.S.A. 2012  
2 Supp. 17-5903 and 19-101a and repealing the existing sections; also  
3 repealing K.S.A. 17-5902 and K.S.A. 2012 Supp. 17-5904, 17-5907  
4 and 17-5908.

5 *Be it enacted by the Legislature of the State of Kansas:*

6 New Section 1. (a) Any agricultural business entity, as defined in  
7 K.S.A. 17-5903, and amendments thereto, may ~~conduct agricultural~~  
8 ~~business and establish agricultural operations anywhere in the state.~~

9 (b) This section shall be part of and supplemental to article 59 of  
10 chapter 17 of the Kansas Statutes Annotated, and amendments thereto.  
11 Sec. 2. K.S.A. 2012 Supp. 17-5903 is hereby amended to read as  
12 follows: 17-5903. As used in this act section:

13 (a) "Agricultural business entity" means a corporation, nonprofit  
14 corporation, limited partnership, limited agricultural partnership,  
15 corporate partnership, family farm corporation, authorized farm  
16 corporation, trust, family trust, authorized trust, testamentary trust,  
17 limited liability company, limited liability agricultural company and  
18 family farm limited liability agricultural company.

19 (b) "Corporation" means a domestic or foreign corporation  
20 organized for profit or nonprofit purposes.

21 (c) "Nonprofit corporation" means a corporation organized not-  
22 for-profit and which qualifies under section 501(c)(3) of the federal  
23 internal revenue code of 1986 as amended.

24 (d) "Limited partnership" has the meaning provided by K.S.A. 56-  
25 1a01, and amendments thereto.

26 (e) "Limited agricultural partnership" means a limited partnership  
27 founded for the purpose of farming and ownership of agricultural land in  
28 which:

- 29 (1) ~~The partners do not exceed 10 in number;~~
- 30 (2) the partners are all natural persons, persons acting in a fiduciary
- 31 capacity for the benefit of natural persons or nonprofit corporations, or
- 32 general partnerships other than corporate partnerships formed under the
- 33 laws of the state of Kansas; and
- 34 (3) ~~at least one of the general partners is a person residing on the farm~~
- 35 ~~or actively engaged in the labor or management of the farming operation.~~
- 36

own land anywhere in the state, and, subject to all applicable zoning and environmental regulations, may conduct agricultural business and establish agricultural operations on such land.