

115TH CONGRESS
2D SESSION

H. R. 5978

To amend the Food Security Act of 1985 to provide for certain payment limitations with respect to commodity programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 2018

Mr. MEADOWS introduced the following bill; which was referred to the
Committee on Agriculture

A BILL

To amend the Food Security Act of 1985 to provide for certain payment limitations with respect to commodity programs, 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 “Farm Support Integ-
5 rity for Family Farms Act”.

6 **SEC. 2. PAYMENT LIMITATIONS.**

7 (a) IN GENERAL.—Section 1001 of the Food Security
8 Act of 1985 (7 U.S.C. 1308) is amended—

9 (1) in subsection (a), by striking paragraph (3)
10 and inserting the following:

1 “(3) LEGAL ENTITY.—The term ‘legal entity’
2 means—

3 “(A) an organization that (subject to the
4 requirements of this section and section 1001A)
5 is eligible to receive a payment under a provi-
6 sion of law referred to in subsection (b) or (d);
7 and

8 “(B) an association, charitable organiza-
9 tion, corporation, estate, general partnership,
10 irrevocable trust or grantor of a revocable trust,
11 joint stock company, limited partnership, lim-
12 ited liability company, limited liability partner-
13 ship, or other similar entity (as determined by
14 the Secretary).”;

15 (2) by striking subsections (b) and (c) and in-
16 serting the following:

17 “(b) LIMITATION ON PAYMENTS FOR COVERED COM-
18 MODITIES AND PEANUTS.—The total amount of payments
19 received, directly or indirectly, by a person or legal entity
20 for any crop year for 1 or more covered commodities and
21 peanuts under title I of the Agricultural Act of 2014 may
22 not exceed \$125,000, of which not more than \$50,000
23 may consist of payments made under sections 1116 and
24 1117 of such Act.

25 “(c) SPOUSAL EQUITY.—

1 “(1) IN GENERAL.—Notwithstanding subsection
2 (b), except as provided in paragraph (2), if a person
3 and the spouse of the person are covered by para-
4 graph (2) and receive, directly or indirectly, any pay-
5 ment or gain covered by this section, the total
6 amount of payments or gains (as applicable) covered
7 by this section that the person and spouse may
8 jointly receive during any crop year may not exceed
9 an amount equal to twice the applicable dollar
10 amounts specified in subsection (b).

11 “(2) EXCEPTIONS.—

12 “(A) SEPARATE FARMING OPERATIONS.—

13 In the case of a married couple in which each
14 spouse, before the marriage, was separately en-
15 gaged in an unrelated farming operation, each
16 spouse shall be treated as a separate person
17 with respect to a farming operation brought
18 into the marriage by a spouse, subject to the
19 condition that the farming operation shall re-
20 main a separate farming operation, as deter-
21 mined by the Secretary.

22 “(B) ELECTION TO RECEIVE SEPARATE
23 PAYMENTS.—A married couple may elect to re-
24 ceive payments separately in the name of each
25 spouse if the total amount of payments and

benefits described in subsection (b) that the married couple receives, directly or indirectly, does not exceed an amount equal to twice the applicable dollar amounts specified in such subsection.”;

(3) in subsection (e)(3)—

(A) by striking “(A) IN GENERAL.—”; and

(B) by striking subparagraph (B);

(4) in subsection (f)—

(A) in paragraph (3)(B), by adding at the end the following new clause:

“(iii) LEGITIMATE ENTITIES.—In promulgating regulations to define the term ‘legal entity’ as the term applies to irrevocable trusts, the Secretary shall ensure that irrevocable trusts are legitimate entities that have not been created for the purpose of avoiding a payment limitation.”;

and

(B) by striking paragraph (4) and redesignating paragraphs (5), (6), (7), and (8) as paragraphs (4), (5), (6), and (7), respectively; and

(5) in subsection (h), in the second sentence, by striking “or other entity” and inserting “or legal entity”.

(b) CONFORMING AMENDMENTS.—

(1) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(A) in subsection (e)(1), by striking “subsections (b) and (c)” and inserting “subsection (b)”;

(B) in subsection (f)(2), by striking “Subsections (b) and (c)” and inserting “Subsection (b)”;

(C) in subsection (g)—

(i) in paragraph (1), by striking “subsection (b) or (c)” and inserting “subsection (b)”;

(ii) in paragraph (2)(A), by striking “subsections (b) and (c)” and inserting “subsection (b)”.

(2) Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1) is amended—

(A) in subsection (a), by striking “subsections (b) and (c) of section 1001” and inserting “section 1001(b)”;

1 (B) in subsection (b)(1), by striking “sub-
 2 section (b) or (c) of section 1001” and inserting
 3 “section 1001(b)”.

4 (3) Section 1001B(a) of the Food Security Act
 5 of 1985 (7 U.S.C. 1308–2(a)) is amended in the
 6 matter preceding paragraph (1) by striking “sub-
 7 sections (b) and (c) of section 1001” and inserting
 8 “section 1001(b)”.

9 (c) APPLICATION.—The amendments made by this
 10 section shall apply beginning with the 2019 crop year.

11 **SEC. 3. PAYMENTS LIMITED TO ACTIVE FARMERS.**

12 Section 1001A of the Food Security Act of 1985 (7
 13 U.S.C. 1308–1) is amended—

14 (1) in subsection (b)(2)—

15 (A) in subparagraph (A), by striking “(in-
 16 cluding a person participating in a farming op-
 17 eration as a partner in a general partnership, a
 18 participant in a joint venture, a grantor of a
 19 revocable trust, or a participant in a similar en-
 20 tity, as determined by the Secretary)”;

21 (B) in subparagraph (A)(i)(II), by striking
 22 “or active personal management”;

23 (C) in subparagraph (B)—

24 (i) in clause (ii), by striking “or active
 25 personal management”; and

1 (ii) in clause (iii), by inserting “and”
2 after the semicolon; and

3 (D) by striking subparagraph (C) and re-
4 designating subparagraph (D) as subparagraph
5 (C); and

6 (2) in subsection (c)—

7 (A) in paragraph (1)—

8 (i) by striking subparagraph (A) and
9 inserting the following:

10 “(A) the landowner share-rents the land at
11 a rate that is usual and customary or receives
12 rent or income based on the operating results of
13 the operation;”;

14 (ii) in subparagraph (B), by striking
15 the period at the end and inserting “;
16 and”; and

17 (iii) by adding at the end the fol-
18 lowing:

19 “(C) the share of the payments received by
20 the landowner is commensurate with the share
21 of the crop or income received as rent.”;

22 (B) in paragraph (2)(A), by striking “ac-
23 tive personal management or”;

24 (C) in paragraph (5)—

1 (i) by striking “(5)” and all that fol-
2 lows through “(A) IN GENERAL.—A per-
3 son” and inserting the following:

4 “(5) CUSTOM FARMING SERVICES.—A person”;

5 (ii) by inserting “under usual and
6 customary terms” after “services”; and

7 (iii) by striking subparagraph (B);

8 and

9 (D) by adding at the end the following:

10 “(7) FARM MANAGERS.—A person who other-
11 wise meets the requirements of this subsection other
12 than (b)(2)(A)(i)(II) shall be considered to be ac-
13 tively engaged in farming, as determined by the Sec-
14 retary, with respect to the farming operation, includ-
15 ing a farming operation that is a sole proprietorship,
16 a legal entity such as a joint venture or general
17 partnership, or a legal entity such as a corporation
18 or limited partnership, if the person—

19 “(A) makes a significant contribution of
20 management to the farming operation that—

21 “(i) is critical to the profitability of
22 the farming operation;

23 “(ii) is performed on a regular, con-
24 tinuous, and substantial basis; and

1 “(iii) equals at least 520 hours annu-
2 ally, or at least 25 percent of the total
3 management hours required for the farm-
4 ing operation on an annual basis, as deter-
5 mined by the Secretary;

6 “(B)(i) is the only person in the farming
7 operation qualifying as actively engaged in
8 farming by using the farm manager special
9 class designation under this paragraph; and

10 “(ii) together with any other persons in the
11 farming operation qualifying as actively en-
12 gaged in farming under subsection (b)(2) or as
13 part of a special class under this subsection,
14 does not collectively receive, directly or indi-
15 rectly, an amount equal to more than the appli-
16 cable limits under section 1001(b);

17 “(C) does not use the management con-
18 tribution under this paragraph to qualify as ac-
19 tively engaged in more than 1 farming oper-
20 ation; and

21 “(D) manages a farm operation that does
22 not substantially share equipment, labor, or
23 management with persons or legal entities that
24 with the person collectively receive, directly or

1 indirectly, an amount equal to more than the
2 applicable limits under section 1001(b).”.

3 **SEC. 4. REPEAL OF CERTAIN REGULATIONS.**

4 (a) IN GENERAL.—Section 1604 of the Agricultural
5 Act of 2014 (7 U.S.C. 1308–1 note) is repealed.

6 (b) REGULATIONS.—The Secretary of Agriculture
7 shall issue or revise such regulations as may be necessary
8 to implement the amendments made by sections 2 and 3.

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