

**AMENDMENT TO H.R. 2, AS REPORTED
OFFERED BY MR. MEADOWS OF NORTH
CAROLINA**

Strike section 1603 and insert the following new sections:

1 SEC. 1603. PAYMENT LIMITATIONS.

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

4 (1) in subsection (a)—

5 (A) in paragraph (1) by striking “section
6 1001 of the Food, Conservation, and Energy
7 Act of 2008” and inserting “section 1111 of
8 the Agriculture and Nutrition Act of 2018”;

9 (B) by striking paragraph (3) and insert-
10 ing the following:

11 “(3) LEGAL ENTITY.—The term ‘legal entity’
12 means—

13 “(A) an organization that (subject to the
14 requirements of this section and section 1001A)
15 is eligible to receive a payment under a provi-
16 sion of law referred to in subsection (b) or (d);
17 and

1 “(B) an association, charitable organiza-
2 tion, corporation, estate, general partnership,
3 irrevocable trust or grantor of a revocable trust,
4 joint stock company, limited partnership, lim-
5 ited liability company, limited liability partner-
6 ship, or other similar entity (as determined by
7 the Secretary).”; and

8 (2) by striking subsections (b) and (c) and in-
9 serting the following:

10 “(b) LIMITATION ON PAYMENTS FOR COVERED COM-
11 MODITIES AND PEANUTS.—The total amount of payments
12 received, directly or indirectly, by a person or legal entity
13 for any crop year for 1 or more covered commodities and
14 peanuts under title I of the Agriculture and Nutrition Act
15 of 2018 may not exceed \$125,000, of which not more than
16 \$50,000 may consist of payments made under sections
17 1116 and 1117 of such Act.

18 “(c) SPOUSAL EQUITY.—

19 “(1) IN GENERAL.—Notwithstanding subsection
20 (b), except as provided in paragraph (2), if a person
21 and the spouse of the person are covered by para-
22 graph (2) and receive, directly or indirectly, any pay-
23 ment or gain covered by this section, the total
24 amount of payments or gains (as applicable) covered
25 by this section that the person and spouse may

1 jointly receive during any crop year may not exceed
2 an amount equal to twice the applicable dollar
3 amounts specified in subsection (b).

4 “(2) EXCEPTIONS.—

5 “(A) SEPARATE FARMING OPERATIONS.—

6 In the case of a married couple in which each
7 spouse, before the marriage, was separately en-
8 gaged in an unrelated farming operation, each
9 spouse shall be treated as a separate person
10 with respect to a farming operation brought
11 into the marriage by a spouse, subject to the
12 condition that the farming operation shall re-
13 main a separate farming operation, as deter-
14 mined by the Secretary.

15 “(B) ELECTION TO RECEIVE SEPARATE
16 PAYMENTS.—A married couple may elect to re-
17 ceive payments separately in the name of each
18 spouse if the total amount of payments and
19 benefits described in subsection (b) that the
20 married couple receives, directly or indirectly,
21 does not exceed an amount equal to twice the
22 applicable dollar amounts specified in those
23 subsections.”;

24 (3) in subsection (d), by striking “associated”
25 and all that follows through the end of the sentence

1 and inserting “associated with subtitle B of title I
2 of the Agriculture and Nutrition Act of 2018.”; and

3 (4) in subsection (e)(3)—

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

5 (B) by striking subparagraph (B);

6 (5) in subsection (f)—

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

9 “(iii) LEGITIMATE ENTITIES.—In pro-
10 mulgating regulations to define the term
11 ‘legal entity’ as the term applies to irrev-
12 ocable trusts, the Secretary shall ensure
13 that irrevocable trusts are legitimate enti-
14 ties that have not been created for the pur-
15 pose of avoiding a payment limitation.”;

16 and

17 (B) by striking paragraph (4) and redesi-
18 gnating paragraphs (5), (6), (7), and (8) as
19 paragraphs (4), (5), (6), and (7), respectively;
20 and

21 (6) in subsection (h), in the second sentence, by
22 striking “or other entity” and inserting “or legal en-
23 tity”.

24 (b) CONFORMING AMENDMENTS.—

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

3 (A) in subsection (e)(1), by striking “sub-
4 sections (b) and (c)” and inserting “subsection
5 (b)”;

6 (B) in subsection (f)(2), by striking “Sub-
7 sections (b) and (c)” and inserting “Subsection
8 (b)”;

9 (C) in subsection (g)—

10 (i) in paragraph (1), by striking “sub-
11 section (b) or (c)” and inserting “sub-
12 section (b)”;

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

16 (2) Section 1001A of the Food Security Act of
17 1985 (7 U.S.C. 1308–1) is amended—

18 (A) in subsection (a), by striking “sub-
19 sections (b) and (c) of section 1001” and in-
20 serting “section 1001(b)”;

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

24 (3) Section 1001B(a) of the Food Security Act
25 of 1985 (7 U.S.C. 1308–2(a)) is amended in the

1 matter preceding paragraph (1) by striking “sub-
2 sections (b) and (c) of section 1001” and inserting
3 “section 1001(b)”.

4 (c) FURTHER CONFORMING AMENDMENTS.—

5 (1) TREATMENT OF FEDERAL AGENCIES AND
6 STATE AND LOCAL GOVERNMENTS.—Section 1001(f)
7 of the Food Security Act of 1985 (7 U.S.C. 1308(f))
8 is amended—

9 (A) in paragraph (5)(A), by striking “or
10 title XII” and inserting “title I of the Agri-
11 culture and Nutrition Act of 2018, or title
12 XII”; and

13 (B) in paragraph (6)(A), by striking “or
14 title XII” and inserting “title I of the Agri-
15 culture and Nutrition Act of 2018, or title
16 XII”.

17 (2) FOREIGN PERSONS INELIGIBLE.—Section
18 1001C(a) of the Food Security Act of 1985 (7
19 U.S.C. 1308-3(a)) is amended by inserting “title I
20 of the Agriculture and Nutrition Act of 2018,” after
21 “2014,”.

22 (d) APPLICATION.—The amendments made by this
23 section shall apply beginning with the 2019 crop year.

1 **SEC. 1603A. PAYMENTS LIMITED TO ACTIVE FARMERS.**

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

4 (1) in subsection (b)(2)—

5 (A) in subparagraph (A), by striking “(in-
6 cluding a person participating in a farming op-
7 eration as a partner in a general partnership, a
8 participant in a joint venture, a grantor of a
9 revocable trust, or a participant in a similar en-
10 tity, as determined by the Secretary)”;

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

13 (C) in subparagraph (B)(ii), by striking
14 “or active personal management”; and

15 (D) by striking subparagraph (C) and re-
16 designating subparagraph (D) as subparagraph
17 (C); and

18 (2) in subsection (c)—

19 (A) in paragraph (1)—

20 (i) by striking subparagraph (A) and
21 inserting the following:

22 “(A) the landowner share-rents the land at
23 a rate that is usual and customary or receives
24 rent or income based on the operating results of
25 the operation;”;

1 (ii) in subparagraph (B), by striking
2 the period at the end and inserting “;
3 and”; and

4 (iii) by adding at the end the fol-
5 lowing:

6 “(C) the share of the payments received by
7 the landowner is commensurate with the share
8 of the crop or income received as rent.”;

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

11 (C) in paragraph (5)—

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

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

16 (ii) by inserting “under usual and
17 customary terms” after “services”; and

18 (iii) by striking subparagraph (B);

19 and

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

21 “(7) FARM MANAGERS.—A person who other-
22 wise meets the requirements of this subsection other
23 than (b)(2)(A)(i)(II) shall be considered to be ac-
24 tively engaged in farming, as determined by the Sec-
25 retary, with respect to the farming operation, includ-

1 ing a farming operation that is a sole proprietorship,
2 a legal entity such as a joint venture or general
3 partnership, or a legal entity such as a corporation
4 or limited partnership, if the person—

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

7 “(i) is critical to the profitability of
8 the farming operation;

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

11 “(iii) equals at least 520 hours annu-
12 ally, or at least 25 percent of the total
13 management hours required for the farm-
14 ing operation on an annual basis, as deter-
15 mined by the Secretary;

16 “(B)(i) is the only person in the farming
17 operation qualifying as actively engaged in
18 farming by using the farm manager special
19 class designation under this paragraph; and

20 “(ii) together with any other persons in the
21 farming operation qualifying as actively en-
22 gaged in farming under subsection (b)(2) or as
23 part of a special class under this subsection,
24 does not collectively receive, directly or indi-

1 rectly, an amount equal to more than the appli-
2 cable limits under section 1001(b);

3 “(C) does not use the management con-
4 tribution under this paragraph to qualify as ac-
5 tively engaged in more than 1 farming oper-
6 ation; and

7 “(D) manages a farm operation that does
8 not substantially share equipment, labor, or
9 management with persons or legal entities that
10 with the person collectively receive, directly or
11 indirectly, an amount equal to more than the
12 applicable limits under section 1001(b).”.

13 **SEC. 1603B. REPEAL OF CERTAIN REGULATIONS.**

14 (a) **IN GENERAL.**—Section 1604 of the Agricultural
15 Act of 2014 (7 U.S.C. 1308-1 note) is repealed.

16 (b) **REGULATIONS.**—The Secretary of Agriculture
17 shall issue or revise such regulations as may be necessary
18 to implement the amendments made by sections 1603 and
19 1603A.

Page 105, beginning line 24, strike “, entity, or
qualified pass through entity (as such term is defined in
paragraph (5) of section 1001(a) of the Food Security
Act of 1985 (7 U.S.C. 1308(a))” and insert “or entity”.

