

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

FILED SENATE
Mar 24, 2025
S.B. 394
PRINCIPAL CLERK

S

D

SENATE BILL DRS15171-MQ-25

Short Title: Prohibit Foreign Ownership of NC Land. (Public)

Sponsors: Senators Brinson, Hanig, and Moffitt (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED
AN ACT TO PROHIBIT THE ACQUISITION OF AGRICULTURAL LANDS OR LANDS
ADJACENT TO MILITARY INSTALLATIONS BY CERTAIN ADVERSARIAL
ENTITIES; TO PROVIDE FOR THE DIVESTMENT OF THOSE LANDS; AND TO
PROVIDE FOR DOCUMENTATION AND REGISTRATION OF LAND OWNERSHIP
BY CERTAIN ADVERSARIAL ENTITIES.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 64 of the General Statutes is amended by adding a new Article
to read:

"Article 4.

"Prohibit Adversarial Foreign Government Acquisition of Certain Lands.

"§ 64-60. Title.

This act shall be known and be cited as the North Carolina Farmland and Military Protection
Act.

"§ 64-61. Purpose.

The General Assembly finds that it is in the public interest for the State to guard its
agricultural land and military installations from the potential of adversarial foreign government
control in order to ensure that the State's farmers are able to produce a safe, abundant, and
affordable supply of food and fiber and to protect our national security for the benefit of the
people of this State and the United States.

"§ 64-62. Definitions.

As used in this Article, the following definitions apply:

(1) Adversarial nation. – One of the following:

- a. China.
- b. Iran.
- c. North Korea.
- d. Russia.

(2) Agricultural land. – Any land situated in this State that is used for agricultural
production purposes as defined in G.S. 106-581.1(1) through (4). The term
does not include land situated in this State that is leased for agricultural
research and development purposes or other activities for the purpose of
producing inputs and/or products for farmers or other end-users, provided that
the acreage leased by the lessee does not exceed 250 acres in the aggregate.

(3) De minimis direct interest. – Any ownership of land resulting from ownership
of registered equities in a publicly traded company owning the land and if the
ownership interest in the company is either of the following:



* D R S 1 5 1 7 1 - M Q - 2 5 *

- a. Less than five percent (5%) of any class of registered equities or less than five percent (5%) in the aggregate in multiple classes of registered equities.
- b. A noncontrolling interest in an entity controlled by a company that is both registered with the United States Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940, as amended, and is not a foreign entity.
- (4) Foreign government. – Any government other than the federal government or the government of a state or a political subdivision of a state.
- (5) Interest. – Any estate, remainder, or reversion, or any portion of the estate, remainder, or reversion, or an option pursuant to which one party has a right to cause the transfer of legal or equitable title to agricultural land, including, without limitation, a lease of agricultural land (i) for a term of one year or longer or (ii) renewable by option for terms which, if the options were all exercised, would total one year.
- (6) Military installation. – Fort Bragg, Pope Army Airfield, Marine Corps Base Camp Lejeune, New River Marine Corps Air Station, Cherry Point Marine Corps Air Station, Military Ocean Terminal at Sunny Point, the United States Coast Guard Air Station at Elizabeth City, Naval Support Activity Northwest, Air Route Surveillance Radar (ARSR-4) at Fort Fisher, and Seymour Johnson Air Force Base, in its own right and as the responsible entity for the Dare County Bombing Range, and any facility located within the State that is subject to the installations' oversight and control.
- (7) Party. – Any individual, corporation, company, association, firm, partnership, society, joint-stock company, trust, estate, or any other legal entity.
- (8) Prohibited foreign party. – Any of the following:
- a. A citizen or resident of an adversarial nation.
- b. A foreign government formed within an adversarial nation.
- c. A party other than an individual or government that is created or organized under the laws of a foreign government within an adversarial nation.
- d. A party other than an individual or a government that meets all of the following criteria:
1. Is created or organized under the laws of any state.
2. A significant interest or substantial control is directly or indirectly held or is capable of being exercised by one or more of the following:
- I. An individual referred to in sub-subdivision a. of this subdivision.
- II. A foreign government referred to in sub-subdivision b. of this subdivision.
- III. A party referred to in sub-subdivision c. of this subdivision.
- IV. A combination of the individuals, parties, or governments referred to in this sub-sub-subdivision.
- e. An agent, trustee, or other fiduciary of a person or entity enumerated in this subdivision.
- f. This definition does not apply to an entity that meets either of the following criteria:
1. The entity has received a determination from the Committee of Foreign Investment in the United States (CFIUS) that there are

no unresolved national security concerns with respect to the entity in connection to a matter submitted to CFIUS and which CFIUS concluded all action pursuant to § 721 of the Defense Production Act of 1950, as amended.

2. The entity has a national security agreement with CFIUS and maintains the validity of such national security agreement.

(9) Residence. – A person's principal dwelling place where that person intends to remain permanently for an indefinite period of time.

(10) Resident alien. – A person who is not a citizen of the United States and is a resident of one of the following:

a. A state of the United States.

b. A territory of the United States.

c. A trusteeship of the United States.

d. A protectorate of the United States.

(11) Significant interest or substantial control. – One of the following:

a. An interest of thirty-three percent (33%) or more held by one or more of the following:

1. An individual referred to in sub-subdivision (8)a. of this section.

2. A single government referred to in sub-subdivision (8)b. of this section.

3. A party referred to in sub-subdivision (8)c. of this section.

4. A party referred to in sub-subdivision (8)d. of this section.

b. An interest of thirty-three percent (33%) or more held whenever the parties, individuals, or governments referred to in sub-subdivision (2)a. of this section are acting in concert with respect to the interest even though no single individual, party, or government holds an interest of thirty-three percent (33%) or more.

c. An interest of fifty percent (50%) or more, in the aggregate, held by parties, individuals, or governments referred to in sub-subdivision (2)a. of this section even though the individuals, parties, or governments may not be acting in concert.

§ 64-63. Prohibited foreign party acquisition of certain lands prohibited.

(a) Notwithstanding any provision of law to the contrary, no prohibited foreign party shall purchase, acquire, lease, or hold any interest in the following:

(1) Agricultural land.

(2) Land situated within a 25-mile radius of a military installation.

(3) Land situated underneath special use airspace, designated by the Federal Aviation Administration (FAA) as defined in the Aeronautical Information Manual published by the FAA.

(b) Except as provided in this section, a prohibited foreign party shall not acquire by grant, purchase, devise, descent, or otherwise, any interest, other than a de minimus direct interest, in land described in subsection (a) of this section in this State regardless of how the prohibited foreign party intends to use the land. A party may not hold land as an agent, trustee, or other fiduciary for a prohibited foreign party in violation of this section. A prohibited foreign party that acquires land in violation of this section remains in violation as long as the prohibited foreign party holds an interest in the land. A prohibited foreign party who is a resident alien of the United States shall have the right to acquire and hold land described in subsection (a) of this section in the State upon the same terms as a citizen of the United States during the continuance of the party's residence in this State.

(c) A prohibited foreign party that has acquired any interest in land described in subsection (a) of this section in this State prior to the effective date of this section may continue to own or hold that interest, but may not acquire by grant, purchase, devise, descent, or otherwise, any additional interest in land described in subsection (a) of this section in this State and must register with the Secretary of State and the Attorney General. The Secretary of State and the Attorney General shall establish a registration form for the purposes of this subsection and the form shall include at least the following:

(1) The name of the owner of the land or the owner of the interest in the land.

(2) The address of the land, the parcel identification number, and the property's legal description.

(3) The number of acres of the land.

(4) The mailing address of the owner of the land.

(d) A prohibited foreign party that fails to timely file a registration with the Secretary of State and the Attorney General is subject to a civil penalty of not less than one thousand dollars (\$1,000) for each day that the registration is late, the clear proceeds of which shall be remitted to the Civil Fines and Forfeitures Fund, in accordance with G.S. 115C-457.2. The unpaid balance of any penalties assessed under this subsection shall constitute a lien against the land.

(e) A prohibited foreign party that acquires land described in subsection (a) of this section on or after the effective date of this section, by devise or descent, through the enforcement of security interests, or through the collection of debts, other than a de minimus direct interest, shall sell, transfer, or otherwise divest itself of the land within three years after acquiring the land.

(f) At the time of purchase, a buyer of any interest in land described in subsection (a) of this section shall provide an affidavit signed under penalty of perjury attesting that the buyer is (i) not a prohibited foreign party and (ii) in compliance with the requirements of this section. The failure to obtain or maintain the affidavit shall not affect the title or insurability of the title for the land or subject any nonparty to the purchase to civil or criminal liability, unless a nonparty to the purchase has actual knowledge that the transaction will result in a violation of this section. The Real Estate Commission shall establish the form for the affidavit required under this subsection.

(g) If a prohibited foreign party does not divest itself of the agricultural land as required under subsection (e) of this section, the Attorney General shall commence an action in superior court in the county where the land is situated. If the court finds that the land is held in violation of this section, the court shall order that the land be sold pursuant to Article 29A of Chapter 1 of the General Statutes. Proceeds of the sale shall be disbursed to any lien holders, in order of priority, except for liens not subject to the order of foreclosure. Any remaining funds after deduction of reasonable costs to the State associated with the action and sale shall be paid to the owner. The Attorney General shall promptly record the following in the register of deeds of the county where the land is situated:

(1) Upon commencement, notice of the pendency of an action brought under this subsection.

(2) The order for the sale of the land entered by the court under this subsection.

(h) A person in violation of this section shall be guilty of a Class 2 misdemeanor. It is an affirmative defense to prosecution under this subsection that a prohibited foreign party is a resident alien of this State.

(i) Title to agricultural land is not invalid or subject to divestiture due to a violation of this section by any former owner or any other person holding or owning a former interest in the agricultural land.

(j) A person who knowingly sells an interest in agricultural land in violation of this section shall be guilty of a Class 2 misdemeanor."

SECTION 2. Article 2 of Chapter 161 of the General Statutes is amended by adding a new section to read:

1 **"§ 161-14.04. Citizenship and residential status of parties to a deed or conveyance.**

2 Prior to recording a deed or other document that conveys an ownership interest in land, the
3 register of deeds shall require that the parties listed as grantor and grantee on the instrument
4 provide information sufficient to establish their current citizenship, residential status, or for
5 non-individual entities, the state or nation where the entity is organized under. The register of
6 deeds shall index the citizenship and residential status collected pursuant to this section as a part
7 of the index required under G.S. 161-22."

8 **SECTION 3.** If any section or provision of this act is declared unconstitutional or
9 invalid by the courts, it does not affect the validity of this act as a whole or any part other than
10 the part so declared to be unconstitutional or invalid.

11 **SECTION 4.** This act becomes effective on December 1, 2025.