

State Restrictions on Foreign Ownership of Agricultural Land and Recent State Proposals

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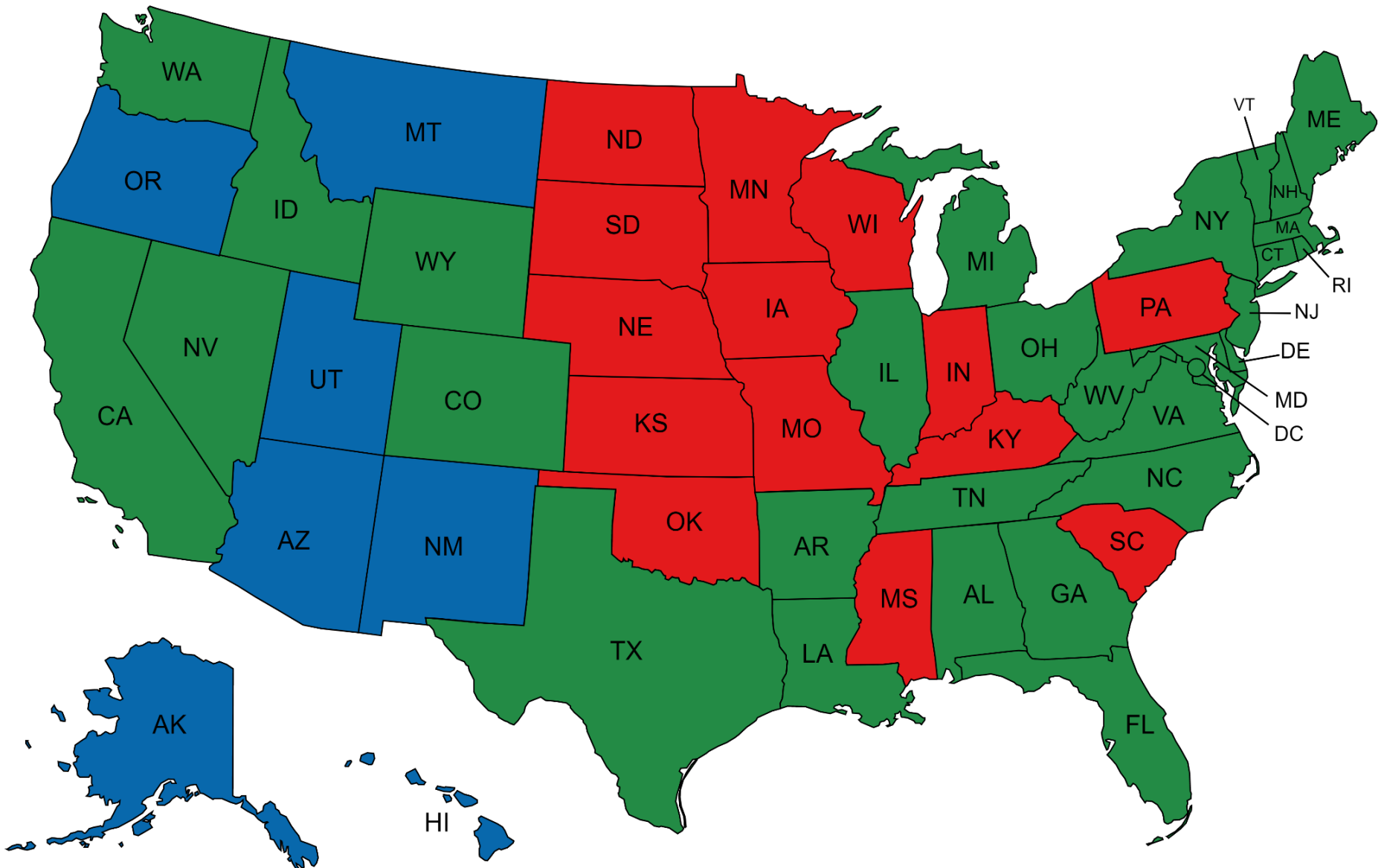
National Agricultural Law Center

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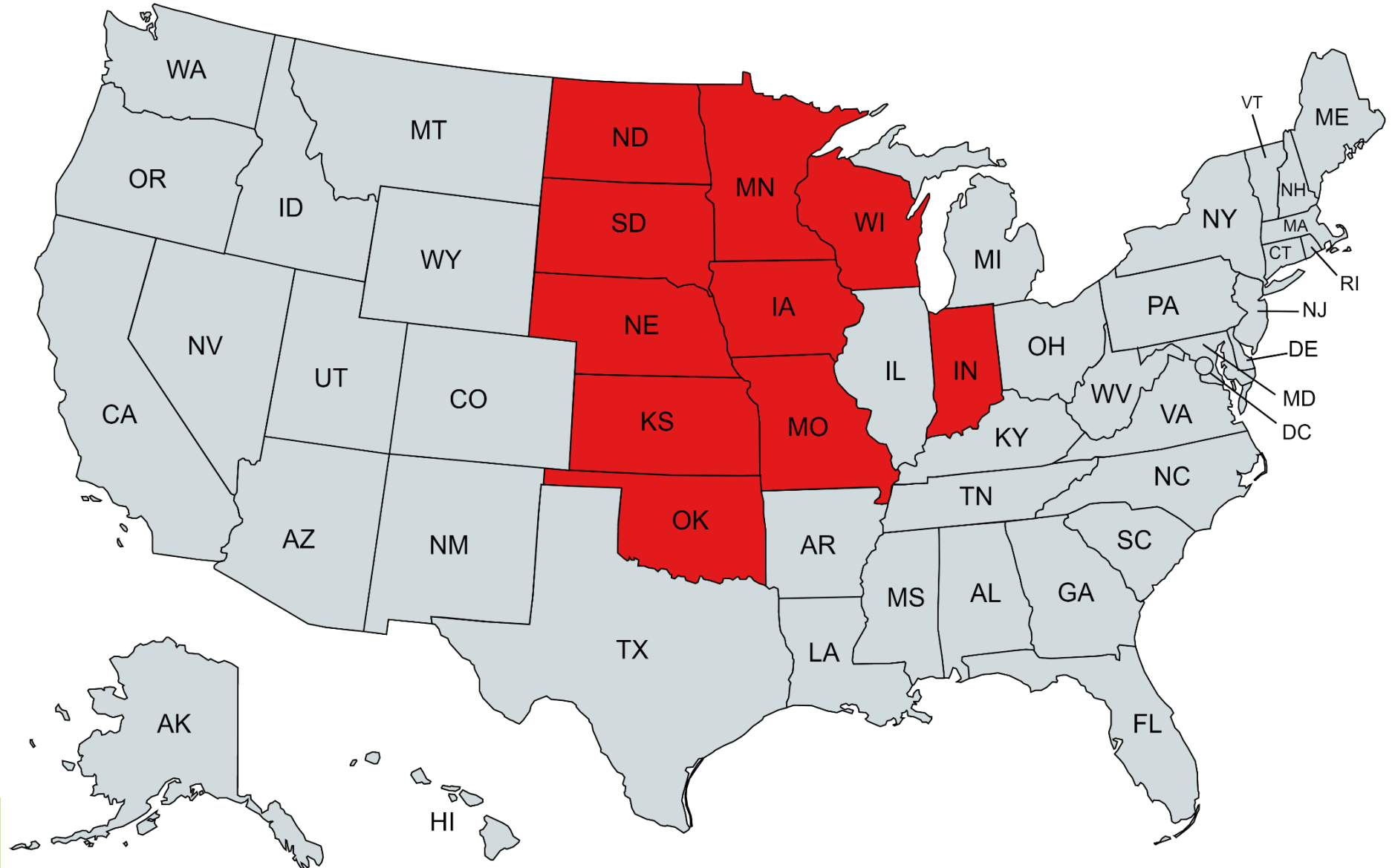
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- We provide objective, non-partisan research and information regarding laws and regulations affecting agriculture.
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State Law Allows vs. Restricts Foreign Ownership



State Corporate Farming Laws



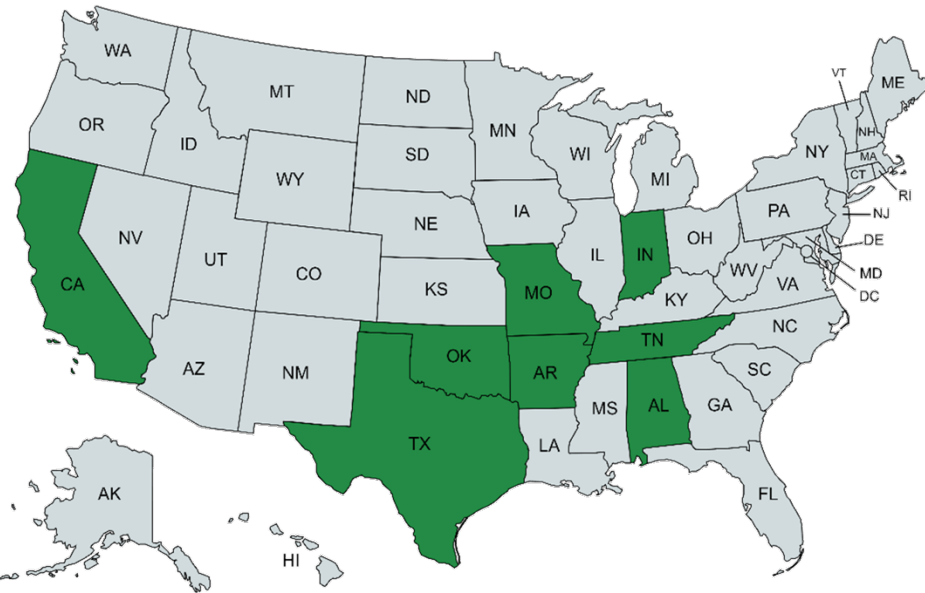
Historical Context

- State laws vary widely without a generalized or uniform approach
- States' laws developed unevenly at different “political flashpoints” over ensuing decades/centuries
 1. Colonial/Revolutionary Period
 2. 1880's – Turn of the Century
 3. Early 1900's – WWII
 4. 1970's
 5. 2021 – Present

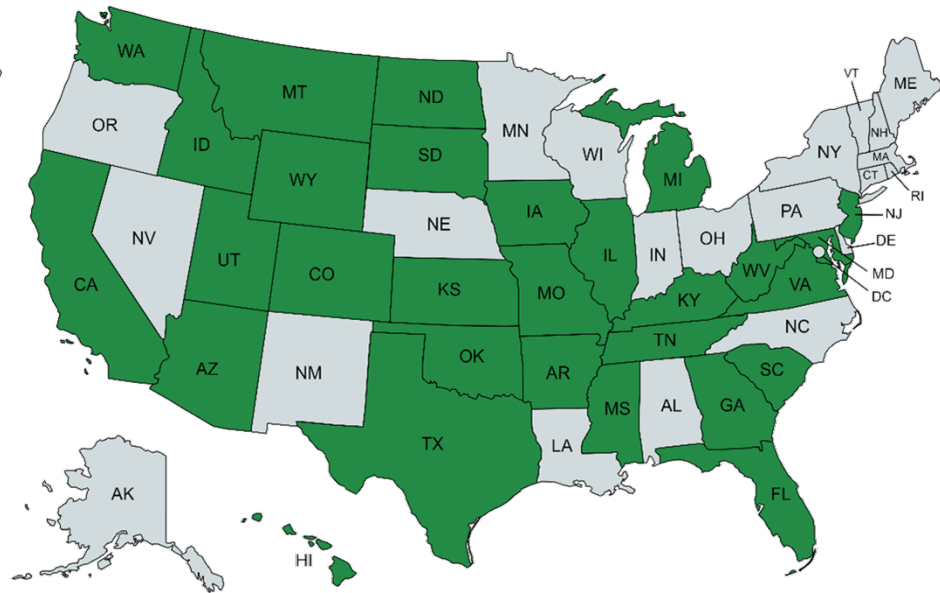


State Foreign Ownership Proposals

2021–2022



2023



California

- Current law expressly allows foreign ownership
- Unanimously passed SB 1084 (2022) *(failed)*
 - Restrict **foreign governments** from acquiring ownership/leasehold interest in **agricultural land**
 - Ultimately vetoed
- Proposed SB 224 (2023)
 - Same language as SB 1084
 - Water rights registry (established by CA Dept. of Food & Ag)
 - Scope of the bill unknown



Missouri

- Current law restricts nonresident aliens and foreign business entities
- HB 1947/SB 791 (2021) *(failed)*
- In 2023: SB 9; SB 55; SB 76; SB 144; SB 332; SB 334; SB 541; HB 430; HB 465; HB 499; HB 707; HB 832; HB 903; HB 1004; HB 1033; SJR 38
 - Repeal “one percent of the aggregate” exception
 - Some decrease percentage to “one half of one percent of the total aggregate agricultural acreage”
 - Restrict a “nonresident alien” and “foreign business”
 - Some proposals seek to restrict all real estate, not just ag land



Texas

- Current law expressly allows foreign ownership
- HB 58/HB 69/HB 305 (2021) *(failed)*
- SB 147 (2023)
 - Restrict individuals, foreign businesses, foreign gov't entities from **China, Iran, North Korea, or Russia**
 - Real property
- SB 552 (2023)
 - Business entity/individual may not **enter into agreement** relating to **ag land** with citizens of **China, Iran, North Korea, Russia**
- SB 711 (2023)
 - **“Prohibited foreign actor”** to **notify** seller acquiring **real property**
 - Seller can **revoke** contract
 - “Prohibited foreign actor” means an “alien, business, or government from a country...that **poses a risk to the national security**”
- HB 1075 (2023)
 - **Foreign gov't and gov't-owned entities**
 - **Agricultural land**



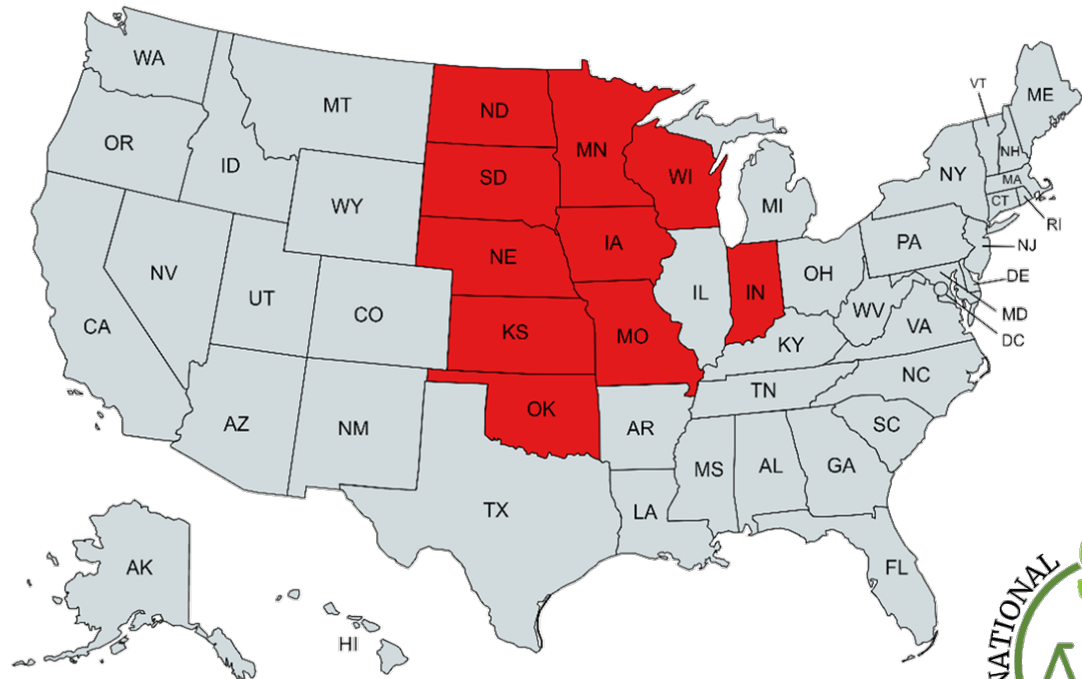
Virginia

- Current law restricts “any alien, not an enemy”
 - Derives from legislation enacted in the late-1700s
 - Likely not enforceable as currently written
- SB 1438/HB 2325 (*passed by legislature*)
 - Restricts “**foreign adversary**” from acquiring any interest in **ag land**
 - “Foreign adversary” means foreign government or non-government person determined by U.S. Secretary of Commerce (*See 15 C.F.R. § 7.4(a)*)
 - Current SOC list: China, Cuba, Iran, North Korea, Russia, and Venezuela’s Maduro Regime



Looking Forward

- Unlikely every proposal makes it out of committee
- Foreign ownership laws in the courts?
- Prop 12 U.S. Supreme Court decision (*coming soon*)
 - 8th Circuit corporate farming decisions



NALC Foreign Ownership Resources

- *Foreign Investments in Agricultural Land: FAQs & Resource Library* available [here](#).
- *Statutes Regulating Ownership of Agricultural Land* available [here](#).
- *Foreign Ownership of Agricultural Land: A Legislative Roadmap* available [here](#).
- *Statutes Regulating Ownership of Agricultural Land* available [here](#).
- NALC webinar *Foreign Ownership of Ag Land: Federal & State Legislative Update* available [here](#).
- Additional NALC publications on land ownership available [here](#).



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