

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 133
PROPOSED COMMITTEE SUBSTITUTE H133-PCS30345-BB-6

Short Title: NC Farmland and Military Protection Act.

(Public)

Sponsors:

Referred to:

February 18, 2025

A BILL TO BE ENTITLED
AN ACT TO PROHIBIT THE ACQUISITION OF AGRICULTURAL AND OTHER LANDS
CRITICAL TO THE SAFETY AND SECURITY OF THE STATE BY CERTAIN
FOREIGN GOVERNMENTS DESIGNATED AS ADVERSARIAL BY THE UNITED
STATES DEPARTMENT OF STATE.

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 exercise its
governmental police power to guard its agricultural land 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 for the benefit of the people of this State and the United
States and to protect our vital resources.

"§ 64-62. Definitions.

As used in this Article, the following definitions apply:

(1) Adversarial foreign government. – A state-controlled enterprise or the
government of a country or group subject to International Traffic in Arms
Regulations in 22 C.F.R. § 126. This term does not include either of the
following:

a. An entity that has received a determination from the Committee on
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 section 721 of the Defense Production
Act of 1950.

b. An entity that has a national security agreement with CFIUS and
maintains the validity of such national security agreement.

(2) Agricultural land. – Any real property 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 real property situated in this State that is leased for



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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) Controlling interest. – Possession of more than fifty percent (50%) of the ownership interest in an entity. The term also includes possession of fifty percent (50%) or less of the ownership interest in an entity if an owner directs the business and affairs of the entity without the requirement or consent of any other party.

(4) 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 or real property situated within a 75-mile radius of a military installation. The term does not include a noteholder under an obligation secured by a deed of trust.

(5) 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, Blakeslee Air Force Recreation Area, 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, North Carolina National Guard facilities, and any facility located within the State that is subject to the installations' oversight and control.

(6) State-controlled enterprise. – A business enterprise, however denominated, in which a foreign government has a controlling interest.

"§ 64-63. Adversarial foreign government acquisition of agricultural land and real property prohibited.

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

(1) Agricultural land.

(2) Real property situated within a 75-mile radius of a military installation.

(b) Any interest in agricultural land or real property situated within a 75-mile radius of a military installation purchased, acquired, leased, or held in violation of this section shall be subject to divestiture pursuant to G.S. 64-64.

(c) A violation of this section by an adversarial foreign government may, at the discretion of the noteholder, be deemed a default under a loan, mortgage, or deed of trust and shall provide the lender the automatic right to trigger default on the loan, mortgage, or deed of trust.

(d) The responsibility for determining whether an individual or other entity is subject to this Article rests solely with the adversarial foreign government and the State of North Carolina and no other individual or entity. An individual or other entity who is not an adversarial foreign government shall bear no civil or criminal liability for failing to determine or make inquiry of whether an individual or other entity is an adversarial foreign government.

(e) No title to real property shall be invalid or subject to divesture by reason of a violation of this section by any former owner or the individual or entity holding or owning a former interest in the real property.

(f) This Article does not create or authorize a private right of action to enforce the provision of the Article.

"§ 64-64. Divestiture procedure.

(a) Upon receipt of information that leads the Attorney General to believe that a violation of G.S. 64-63 may have occurred, the Attorney General shall investigate the alleged violation and may issue subpoenas requiring any of the following:

- (1) Appearances of witnesses.
- (2) Production of relevant records.
- (3) Giving of relevant testimony.

(b) The Attorney General shall enforce a violation of G.S. 64-63 by commencing a receivership proceeding under Article 38A of Chapter 1 of the General Statutes seeking the appointment of a general receiver pursuant to G.S. 1-507.24(e1). The following apply to a receivership proceeding initiated pursuant to this section:

- (1) Proceeds of the sale shall be paid as follows:
 - a. The costs of the receivership and sale.
 - b. To secured parties, in their order of priority, except for liens which under the terms of the sale are to remain on the property.
 - c. No proceeds shall be distributed from the receivership sale to the adversarial foreign government. Any excess proceeds are forfeited and shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.
- (2) At the receivership sale, any secured party shall be able to place a bid in an amount that is not more than the amount owed plus any costs incurred to the secured party as of the date of the sale, as established in the court order for the sale of the property.
- (3) Upon commencement of an action under this section, the Attorney General shall file a notice of lis pendens as soon as practicable with the register of deeds of the county or counties in which the real property is situated. Upon the entry of an order for the sale of the property under this section, the Attorney General shall record a copy of the order as soon as practicable in the office of the register of deeds of the county or counties where the real property is situated."

SECTION 2. G.S. 1-507.24 reads as rewritten:

"§ 1-507.24. Appointment of receivers; receivership not a trust.

...

(e1) Receiver for Sale of Real Property Owned by Adversarial Foreign Government. – A general receiver may be appointed for the purpose of conducting a sale of real property in accordance with G.S. 64-64 upon a finding by the court that an interest in the real property is held by an adversarial foreign government in violation of G.S. 64-63(a).

...."

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

SECTION 4. This act becomes effective December 1, 2025, and applies to an interest in real property acquired on and after that date.