

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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HOUSE BILL 133  
Committee Substitute Favorable 4/8/25  
PROPOSED SENATE COMMITTEE SUBSTITUTE H133-PCS10678-CE-33

Short Title: NC Farmland and Military Protection Act.

(Public)

Sponsors:

Referred to:

February 18, 2025

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

7 The General Assembly of North Carolina enacts:

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

10 "Article 4.

11 "Prohibit Adversarial Foreign Party Acquisition of Certain Lands.

12 "§ 64-60. Title.

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

15 "§ 64-61. Purpose.

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

21 "§ 64-62. Definitions.

22 As used in this Article, the following definitions apply:

- 23 (1) Adversarial foreign government. – A state-controlled enterprise or the  
24 government of a country or group listed in International Traffic in Arms  
25 Regulation 22 C.F.R. § 126.1(d).
- 26 (2) Agricultural land. – Any land situated in this State that is used for agricultural  
27 production purposes as defined in G.S. 106-581.1(1) through (4). The term  
28 does not include land situated in this State that is leased for agricultural  
29 research and development purposes or other activities for the purpose of  
30 producing inputs or products for farmers or other end users, provided that the  
31 acreage leased by the lessee does not exceed 250 acres in the aggregate.
- 32 (3) De minimis direct interest. – Any ownership of land resulting from:  
33 a. Ownership of registered equities in a publicly traded company owning  
34 the land and if the ownership interest in the company is either of the  
35 following:



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- 1                                   1.     Less than ten percent (10%) of any class of registered equities.
- 2   Ownership of registered equities is determined by processes
- 3   established under federal law.
- 4                                   2.     A noncontrolling interest in an entity controlled by a company
- 5   that is both registered with the United States Securities and
- 6   Exchange Commission as an investment adviser under the
- 7   Investment Advisers Act of 1940, as amended, and is not a
- 8   foreign entity.
- 9                                   b.     Any passive ownership interest of a prohibited foreign party in an
- 10    entity, provided that the prohibited foreign party does not possess, by
- 11    virtue of that ownership interest or otherwise, the power to direct or
- 12    cause the direction of the management or policies of the entity with
- 13    respect to the interest in real property.
- 14                                   (4)   Foreign government. – Any government other than: (i) the federal
- 15    government, (ii) the government of a state, (iii) a political subdivision of a
- 16    state, or (iv) federally or state recognized tribal governments.
- 17                                   (5)   Interest. – Any estate, remainder, or reversion, or any portion of the estate,
- 18    remainder, or reversion, or an option pursuant to which one party has a right
- 19    to cause the transfer of legal or equitable title to land described in
- 20    G.S. 64-63(a), including, without limitation, a lease of land described in
- 21    G.S. 64-63(a): (i) for a term of one year or longer or (ii) renewable by option
- 22    for terms which, if the options were all exercised, would total one year.
- 23                                   (6)   Military installation. – Fort Bragg, Pope Army Airfield, Marine Corps Base
- 24    Camp Lejeune, New River Marine Corps Air Station, Cherry Point Marine
- 25    Corps Air Station, Military Ocean Terminal at Sunny Point, the United States
- 26    Coast Guard Air Station at Elizabeth City, Naval Support Activity Northwest,
- 27    Air Route Surveillance Radar (ARSR-4) at Fort Fisher, North Carolina
- 28    National Guard facilities, and Seymour Johnson Air Force Base, in its own
- 29    right and as the responsible entity for the Dare County Bombing Range, and
- 30    any military training facility located within the State that is subject to the
- 31    installations' oversight and control. Military installation does not include
- 32    churches, schools, offices, or residential facilities outside the defined
- 33    boundaries of the above named facilities, and does not include temporary
- 34    military operations areas. The North Carolina Real Estate Commission, in
- 35    coordination with the Department of Military and Veterans Affairs, will
- 36    develop, publish, and maintain a map with the bases and lines drawn for the
- 37    applicable mileage from the military boundaries for public use.
- 38                                   (7)   Party. – Any corporation, company, association, firm, partnership, society,
- 39    joint-stock company, trust, estate, or any other legal entity.
- 40                                   (8)   Prohibited foreign party. – Any of the following:
- 41                                   a.     An adversarial foreign government or a foreign government formed
- 42   within an adversarial foreign government.
- 43                                   b.     An entity or trust, other than a government, that is created or organized
- 44   under the laws of a foreign government within an adversarial foreign
- 45   government.
- 46                                   c.     An entity or trust, other than a government, that meets all of the
- 47   following criteria:
- 48                                   1.     Is created or organized under the laws of any state, or any
- 49   foreign government.

- 1                                    2.    A significant interest or substantial control is directly or  
2                                    indirectly held or is capable of being exercised by one or more  
3                                    of the following:  
4                                    I.     A foreign government referred to in sub-subdivision a.  
5                                    of this subdivision.  
6                                    II.    A party referred to in sub-subdivision b. of this  
7                                    subdivision.  
8                                    III.   A combination of the parties or governments referred  
9                                    to in this sub-sub-subdivision.  
10                                  d.    An agent, trustee, or other fiduciary of an entity enumerated in this  
11                                  subdivision.  
12                                  e.    This definition does not apply to an entity that meets any of the  
13                                  following criteria:  
14                                  1.    The entity has received a determination from the Committee of  
15                                  Foreign Investment in the United States (CFIUS) that there are  
16                                  no unresolved national security concerns with respect to the  
17                                  entity in connection to a matter submitted to CFIUS and which  
18                                  CFIUS concluded all action pursuant to section 721 of the  
19                                  Defense Production Act of 1950, as amended.  
20                                  2.    The entity has a national security agreement with CFIUS and  
21                                  maintains the validity of such national security agreement.  
22                                  3.    A United States domiciled subsidiary of an entity that meets  
23                                  the criteria of sub-sub-subdivision 1. or 2. of this  
24                                  sub-sub-subdivision.  
25                                  (9)   Significant interest or substantial control. – One of the following:  
26                                  a.    An interest of thirty-three percent (33%) or more held by one or more  
27                                  of the following:  
28                                  1.    A single government referred to in sub-subdivision a. of  
29                                  subdivision (8) of this section.  
30                                  2.    A party referred to in sub-subdivision b. of subdivision (8) of  
31                                  this section.  
32                                  3.    A party referred to in sub-subdivision c. of subdivision (8) of  
33                                  this section.  
34                                  b.    An interest of thirty-three percent (33%) or more held whenever the  
35                                  parties or governments referred to in subdivision (8) of this section are  
36                                  acting in concert with respect to the interest even though no single  
37                                  party or government holds an interest of thirty-three percent (33%) or  
38                                  more.  
39                                  c.    An interest of fifty percent (50%) or more, in the aggregate, held by  
40                                  parties or governments referred to in subdivision (8) of this section  
41                                  even though the parties or governments may not be acting in concert.

42    **"§ 64-63. Prohibited foreign party acquisition of certain lands prohibited.**

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

45                    (1)    Agricultural land.

46                    (2)    Property situated within a 50-mile radius of a military installation.

47        (b)    A prohibited foreign party shall not acquire by grant, purchase, devise, descent, or  
48        otherwise any interest, other than a de minimis direct interest, in land described in subsection (a)  
49        of this section in this State regardless of how the prohibited foreign party intends to use the land.  
50        A party may not knowingly hold land as an agent, trustee, or other fiduciary for a prohibited  
51        foreign party in violation of this section. A prohibited foreign party that acquires land in violation

1 of this section remains in violation as long as the prohibited foreign party holds an interest in the  
2 land.

3 (c) A prohibited foreign party that has acquired any direct interest in land described in  
4 subsection (a) of this section in this State prior to the effective date of this section, or prior to the  
5 country of residence being added to 22 C.F.R. § 126.1(d), may continue to own or hold that  
6 interest, but may not acquire by grant, purchase, devise, descent, or otherwise, any additional  
7 interest in land described in subsection (a) of this section in this State and must register with the  
8 Secretary of State. The Secretary of State shall maintain a report, updated monthly, of those  
9 prohibited foreign parties that have registered, and the report shall be a public record and be  
10 accessible on the Secretary of State's website. The Secretary of State shall establish a registration  
11 form for the purposes of this subsection and the form shall include at least the following:

- 12 (1) The name of the owner of the land or the owner of the interest in the land.
- 13 (2) The address of the land and the parcel identification number.
- 14 (3) The number of acres of the land.
- 15 (4) The mailing address of the owner of the land.
- 16 (5) The country or state of incorporation of the owner of the property or the owner  
17 of the interest in the property.

18 (d) The Secretary of State will provide the registry to the Attorney General's office one  
19 year from the effective date of this act and every six months thereafter, and the Attorney General  
20 shall enforce the payment of the civil fine as provided by this subsection. A prohibited foreign  
21 party that fails to timely file a registration with the Secretary of State is subject to a civil penalty  
22 of not less than one thousand dollars (\$1,000) for each day that the registration is late, the clear  
23 proceeds of which shall be remitted to the Civil Penalty and Forfeiture Fund, in accordance with  
24 G.S. 115C-457.2. The unpaid balance of any penalties assessed under this subsection shall  
25 constitute a lien against the land if a Notice of Foreign Ownership Violation Lien has been  
26 recorded by the Attorney General in the office of the register of deeds in the county where the  
27 property is located, and the lien shall have priority from the date and time of recordation and  
28 shall be enforced by the Attorney General.

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

33 (f) At a time no later than the time of closing, a buyer of any direct interest in land  
34 described in subsection (a) of this section shall provide an affidavit signed under penalty of  
35 perjury attesting that the buyer is (i) not a prohibited foreign party and (ii) in compliance with  
36 the requirements of this section. The affidavit is not required to be notarized and shall be attached  
37 as an exhibit to the deed or other document that conveys an ownership interest in the land. No  
38 affidavit is required to be attached to a deed of trust, mortgage, assignment of rents, security  
39 interest, or other lien securing payment or performance of an obligation under this section by (i)  
40 a federally or state chartered bank, savings institution, or credit union, (ii) a licensed mortgage  
41 lender or servicer, (iii) a governmental or quasi-governmental lending agency, or (iv) an entity  
42 subject to federal anti-money laundering and suspicious activity reporting requirements under  
43 the Bank Secrecy Act. The failure to obtain or maintain the affidavit shall not affect the title or  
44 insurability of the title for the land. The North Carolina Real Estate Commission shall establish  
45 the form for the affidavit required under this subsection.

46 (g) Upon receipt of information that leads the Attorney General to believe that a  
47 prohibited foreign party has not divested itself of the land described in subsection (a) of this  
48 section as required under subsection (e) of this section, the Attorney General shall enforce a  
49 violation of this section by commencing a receivership proceeding in the county where the  
50 property is situated under Article 38A of Chapter 1 of the General Statutes seeking the

1 appointment of a general receiver pursuant to G.S. 1-507.24(e1). Any interest in real property  
2 acquired or held in violation of this section shall be subject to divestiture pursuant to G.S. 64-64.

3 (h) A violation of this section by a prohibited foreign party may, at the discretion of the  
4 noteholder, be deemed a default under a loan, mortgage, or deed of trust and shall provide the  
5 lender the automatic right to trigger default on the loan, mortgage, or deed of trust.

6 (i) The responsibility for determining whether any entity is subject to this Article,  
7 pursuant to either civil or criminal law, rests solely with the Prohibited Foreign Party and the  
8 State of North Carolina and no other individual or entity.

9 (j) Title to land described in subsection (a) of this section is not invalid or subject to  
10 divestiture due to a violation of this section by any former owner or any other person holding or  
11 owning a former interest in the land described in subsection (a) of this section.

12 (k) Except as provided in subsection (l) of this section, no individual, real estate broker,  
13 or any other entity, other than a prohibited foreign party, shall bear any civil or criminal liability  
14 for any of the following:

15 (1) Failing to determine or make inquiry of whether any entity is a prohibited  
16 foreign party.

17 (2) Failing to obtain, maintain, or otherwise comply with the affidavit  
18 requirements provided by subsection (f) of this section.

19 (l) A party who knowingly sells an interest in land described in subsection (a) of this  
20 section in violation of this section or who has actual knowledge that the transaction will result in  
21 a violation of subsection (a) of this section but aids and abets a party in knowingly selling an  
22 interest in land described in subsection (a) of this section shall be guilty of a Class 2  
23 misdemeanor.

24 (m) This Article does not create or authorize a private right of action to enforce the  
25 provisions of this Article.

26 **"§ 64-64. Divestiture procedure.**

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

30 (1) Appearances of witnesses.

31 (2) Production of relevant records.

32 (3) Giving of relevant testimony.

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

37 (1) Proceeds of the sale shall be paid as follows:

38 a. The costs of the receivership and sale.

39 b. To secured parties, in their order of priority, except for liens which  
40 under the terms of the sale are to remain on the property.

41 c. No proceeds shall be distributed from the receivership sale to the  
42 prohibited foreign party. Any excess proceeds are forfeited and shall  
43 be remitted to the Civil Penalty and Forfeiture Fund in accordance with  
44 G.S. 115C-457.2.

45 (2) At the receivership sale, any secured party shall be able to place a bid in an  
46 amount that is not more than the amount owed plus any costs incurred to the  
47 secured party as of the date of the sale, as established in the court order for the  
48 sale of the property.

49 (3) Upon commencement of an action under this section, the Attorney General  
50 shall file a notice of lis pendens as soon as practicable with the register of  
51 deeds of the county or counties in which the real property is situated. Upon

1                   the entry of an order for the sale of the property under this section, the  
2                   Attorney General shall record a copy of the order as soon as practicable in the  
3                   office of the register of deeds of the county or counties where the real property  
4                   is situated.

5           (4)       The receiver shall honor and give priority to any default that has been  
6                   triggered on a loan, mortgage, or deed of trust prior to the commencement of  
7                   a receivership under this section."

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

10 **"§ 161-14.04. Affidavit of parties to a deed or conveyance.**

11           When recording a deed or other document that conveys an ownership interest in land  
12           described by G.S. 64-63(a), the register of deeds shall attach the affidavit as an exhibit to the  
13           deed or other document that conveys an ownership interest in land as required by G.S. 64-63(f)  
14           according to the requirements of G.S. 161-22. The register of deeds shall not be liable for failure  
15           of the document to include the affidavit. Failure to attach the affidavit does not impair  
16           constructive notice, lien priority, validity, or insurability."

17           **SECTION 3.** G.S. 1-507.24 is amended by adding a new subsection to read:

18           "(e1) Receiver for Sale of Real Property Owned by Prohibited Foreign Party. – A general  
19           receiver may be appointed for the purpose of conducting a sale of real property in accordance  
20           with G.S. 64-64 upon a finding by the court that an interest in the real property is held by a  
21           prohibited foreign party in violation of G.S. 64-63(a)."

22           **SECTION 4.** The North Carolina Real Estate Commission, in coordination with the  
23 Department of Military and Veterans Affairs, will develop and publish the map described in  
24 G.S. 64-62(6) by April 1, 2027, and shall maintain the map by publishing an updated version  
25 annually each April 1 thereafter.

26           **SECTION 5.** If any section or provision of this act is declared unconstitutional or  
27 invalid by the courts, it does not affect the validity of this act as a whole or any part other than  
28 the part so declared to be unconstitutional or invalid.

29           **SECTION 6.** Sections 1, 2, and 3 of this act become effective on April 1, 2027, and  
30 Section 1 of this act applies to offenses committed on or after that date. The remainder of this act  
31 is effective when it becomes law.