

HOUSE BILL No. 2397

By Committee on Agriculture and Natural Resources

2-10

1 AN ACT concerning real property; relating to the conveyance thereof;
2 prohibiting the conveyance of title to certain real property to foreign
3 adversaries; establishing criminal penalties therefor; requiring the
4 attorney general to investigate such conveyances.
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6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. As used in sections 1 through 3, and amendments thereto:

8 (a) "Entity" means a partnership, association, trust, joint venture,
9 corporation, group, subgroup or other non-United States governmental
10 organization.

11 (b) (1) "Foreign adversary" means any government or non-
12 government person determined to be a foreign adversary pursuant to 15
13 C.F.R. § 7.4, as in effect on July 1, 2023, except as otherwise provided by
14 paragraph (2).

15 (2) Upon any occasion when 15 C.F.R. § 7.4 is amended after July 1,
16 2023, the secretary of agriculture may, in the secretary's sole discretion,
17 adopt rules and regulations to add or remove a government or non-
18 government person from the definition of "foreign adversary" but only
19 after giving due consideration to the risks to state and national security and
20 the economic costs and benefits of such action.

21 (c) "Person" means an individual or entity.

22 (d) "Person owned by, controlled by or subject to the jurisdiction or
23 direction of a foreign adversary" means:

24 (1) Any person, wherever located, who acts as an agent,
25 representative or employee, or any person who acts in any other capacity
26 at the order, request or under the direction or control, of a foreign
27 adversary or of a person whose activities are directly or indirectly
28 supervised, directed, controlled, financed or subsidized in whole or in
29 majority part by a foreign adversary;

30 (2) any person, wherever located, who is a citizen or resident of a
31 nation-state controlled by a foreign adversary, unless such person is a dual
32 citizen of the United States and a foreign adversary;

33 (3) any corporation, partnership, association or other organization
34 organized under the laws of a nation-state controlled by a foreign
35 adversary; or

36 (4) any corporation, partnership, association or other organization,

1 wherever organized or doing business, that is owned or controlled by a
2 foreign adversary.

3 Sec. 2. (a) (1) On or after July 1, 2023, no person owned by,
4 controlled by or subject to the jurisdiction or direction of a foreign
5 adversary shall purchase, acquire by grant, devise or descent or otherwise
6 obtain ownership of any interest in real property located in this state.

7 (2) (A) The provisions of paragraph (1) shall not apply to land
8 acquired by:

9 (i) A process of law in the collection of debts;

10 (ii) a deed in lieu of foreclosure pursuant to a forfeiture of a contract
11 for deed; or

12 (iii) any procedure for the enforcement of a lien or claim on the land,
13 whether created by mortgage or otherwise.

14 (B) Land described in this paragraph shall be sold or otherwise
15 disposed of within two years after title is transferred.

16 (b) A person owned by, controlled by or subject to the jurisdiction or
17 direction of a foreign adversary may sell or convey all or any portion of an
18 ownership interest in real property located in this state that was acquired
19 prior to July 1, 2023, but shall not sell or otherwise convey such ownership
20 interest to any person owned by, controlled by or subject to the jurisdiction
21 or direction of a foreign adversary in violation of subsection (a).

22 (c) Any person owned by, controlled by or subject to the jurisdiction
23 or direction of a foreign adversary who inherits real property on or after
24 July 1, 2023 in violation of this act shall have 12 months to divest such
25 property once the violation is known. Such divestiture shall be an
26 affirmative defense to any violation of this subsection.

27 (d) The attorney general shall investigate any sale, transfer or other
28 conveyance of title to real property located in this state if the attorney
29 general has reason to believe that such transaction violates subsection (a).

30 (e) Real property that is the subject matter of a transaction that
31 violates this section shall be subject to forfeiture under K.S.A. 60-4101 et
32 seq., and amendments thereto.

33 Sec. 3. The provisions of sections 1 through 3, and amendments
34 thereto, are hereby declared severable. If any provision of sections 1
35 through 3, and amendments thereto, or the application thereof is held
36 invalid, such invalidity shall not effect any other provision of sections 1
37 through 3, and amendments thereto, that can be given effect without the
38 invalid provision.

39 Sec. 4. This act shall take effect and be in force from and after its
40 publication in the statute book.