GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

SESSION LAW 2026-54
HOUSE BILL 133

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 Party 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 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 foreign government. – A state-controlled enterprise or the government of a country or group listed in International Traffic in Arms Regulation 22 C.F.R. § 126.1(d).

(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 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:

a. 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:

1. Less than ten percent (10%) of any class of registered equities. Ownership of registered equities is determined by processes established under federal law.

2. 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.

b. Any passive ownership interest of a prohibited foreign party in an entity, provided that the prohibited foreign party does not possess, by virtue of that ownership interest or otherwise, the power to direct or cause the direction of the management or policies of the entity with respect to the interest in real property.

(4) Foreign government. – Any government other than: (i) the federal government, (ii) the government of a state, (iii) a political subdivision of a state, or (iv) federally or state recognized tribal governments.

(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 land described in G.S. 64-63(a), including, without limitation, a lease of land described in G.S. 64-63(a): (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, North Carolina National Guard facilities, and Seymour Johnson Air Force Base, in its own right and as the responsible entity for the Dare County Bombing Range, and any military training facility located within the State that is subject to the installations' oversight and control. Military installation does not include churches, schools, offices, or residential facilities outside the defined boundaries of the above named facilities, and does not include temporary military operations areas. The North Carolina Real Estate Commission, in coordination with the Department of Military and Veterans Affairs, will develop, publish, and maintain a map with the bases and lines drawn for the applicable mileage from the military boundaries for public use.

(7) Party. – Any 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. An adversarial foreign government or a foreign government formed within an adversarial foreign government.

b. An entity or trust, other than a government, that is created or organized under the laws of a foreign government within an adversarial foreign government.

c. An entity or trust, other than a government, that meets all of the following criteria:

1. Is created or organized under the laws of any state, or any foreign government.

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. A foreign government referred to in sub-subdivision a. of this subdivision.

II. A party referred to in sub-subdivision b. of this subdivision.

III. A combination of the parties or governments referred to in this sub-sub-subdivision.

d. An agent, trustee, or other fiduciary of an entity enumerated in this subdivision.

e. This definition does not apply to an entity that meets any 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 section 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.

3. A United States domiciled subsidiary of an entity that meets the criteria of sub-sub-subdivision 1. or 2. of this sub-subdivision.

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

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

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

b. An interest of thirty-three percent (33%) or more held whenever the parties or governments referred to in subdivision (8) of this section are acting in concert with respect to the interest even though no single 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 or governments referred to in subdivision (8) of this section even though the 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 direct interest in the following:

(1) Agricultural land.

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

(b) A prohibited foreign party shall not acquire by grant, purchase, devise, descent, or otherwise any interest, other than a de minimis 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 knowingly 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.

(c) A prohibited foreign party that has acquired any direct interest in land described in subsection (a) of this section in this State prior to the effective date of this section, or prior to the country of residence being added to 22 C.F.R. § 126.1(d), 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. The Secretary of State shall maintain a report, updated monthly, of those prohibited foreign parties that have registered, and the report shall be a public record and be accessible on the Secretary of State's website. The Secretary of State 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 and the parcel identification number.

(3) The number of acres of the land.

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

(5) The country or state of incorporation of the owner of the property or the owner of the interest in the property.

(d) The Secretary of State will provide the registry to the Attorney General's office one year from the effective date of this act and every six months thereafter, and the Attorney General shall enforce the payment of the civil fine as provided by this subsection. A prohibited foreign party that fails to timely file a registration with the Secretary of State 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 Penalty and Forfeiture 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 if a Notice of Foreign Ownership Violation Lien has been recorded by the Attorney General in the office of the register of deeds in the county where the property is located, and the lien shall have priority from the date and time of recordation and shall be enforced by the Attorney General.

(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 minimis direct interest, shall sell, transfer, or otherwise divest itself of the land within one year after acquiring the land.

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

(g) Upon receipt of information that leads the Attorney General to believe that a prohibited foreign party has not divested itself of the land described in subsection (a) of this section as required under subsection (e) of this section, the Attorney General shall enforce a violation of this section by commencing a receivership proceeding in the county where the property is situated 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). Any interest in real property acquired or held in violation of this section shall be subject to divestiture pursuant to G.S. 64-64.

(h) A violation of this section by a prohibited foreign party 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.

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

(j) Title to land described in subsection (a) of this section 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 land described in subsection (a) of this section.

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

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

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

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

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

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

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

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

When recording a deed or other document that conveys an ownership interest in land described by G.S. 64-63(a), the register of deeds shall record the affidavit as an exhibit to the deed or other document that conveys an ownership interest in land as required by G.S. 64-63(f) according to the requirements of G.S. 161-22. Notwithstanding G.S. 161-10, the affidavit shall not be considered an additional instrument. Attachment of the affidavit required by G.S. 64-63(f) is the presenter's responsibility and not a recording requirement to be enforced by the register of deeds. The register of deeds shall not be liable for failure of the document to include the affidavit. Failure to attach the affidavit does not impair constructive notice, lien priority, validity, or insurability."

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

"(e1) Receiver for Sale of Real Property Owned by Prohibited Foreign Party. – 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 a prohibited foreign party in violation of G.S. 64-63(a)."

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

SECTION 5. 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 6. Sections 1, 2, and 3 of this act become effective on April 1, 2027, and Section 1 of this act applies to offenses committed on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 1st day of July, 2026.

s/ Rachel Hunt
President of the Senate

s/ Destin Hall
Speaker of the House of Representatives

s/ Josh Stein
Governor

Approved 9:51 a.m. this 7th day of July, 2026