



HOUSE BILL 133: NC Farmland and Military Protection Act.

2025-2026 General Assembly

Committee:	House Commerce and Economic Development. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 15, 2025
Introduced by:	Reps. Balkcom, N. Jackson, Zenger, Bell	Prepared by:	Amy Darden
Analysis of:	Second Edition		Committee Counsel

OVERVIEW: *House Bill 133 would do the following:*

- *Prohibit adversarial foreign governments from purchasing, acquiring, leasing, or holding any interest in agricultural land or real property situated within a 75-mile radius of a military installation.*
- *Create a divestiture procedure for any violation of the prohibition, using the receivership procedures in Article 38A of Chapter 1 of the General Statutes.*

CURRENT LAW: Currently, under G.S. 64-1, "it is lawful for aliens to take both by purchase and descent, or other operation of law, any lands, tenements or hereditaments, and to hold and convey the same as fully as citizens of this State can or may do. . ." All contracts to purchase or sell real property by or with aliens are valid. G.S. 64-2. Article 3 of Chapter 64 prohibits adversarial foreign governments, as defined in that Article, from purchasing, acquiring, leasing, or holding any interest in a quartz mining operation or land containing commercially valuable amounts of high purity quartz.

Article 38A of Chapter 1 contains the North Carolina Commercial Receivership Act, which provides for the appointment and duties of a receiver.

BILL ANALYSIS:

Section 1 of House Bill 133 would do the following:

- Prohibit an adversarial foreign government from purchasing, acquiring, leasing, or holding any interest in agricultural land or real property situated within a 75-mile radius of a military installation.
- Define the term "adversarial foreign government" as a state-controlled enterprise (a business enterprise in which a foreign government has a controlling interest) or the government of a country or group subject to International Traffic in Arms Regulations in 22 C.F.R. §126. The term does not include either of the following:
 - An entity that has received a determination from the Committee on Foreign Investment in the United State (CFIUS)¹ that there are no unresolved national security concerns with

¹ CFIUS is an interagency committee authorized to review certain transactions involving foreign investment in the United States and certain real estate transactions by foreign persons, in order to determine the effect of such transactions on the national security of the United States.

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- respect to the entity in connection to a matter submitted and which CFIUS concluded all action, pursuant to Section 721 of the Defense Production Act of 1950².
- An entity that has a national security agreement with CFIUS and maintains the validity of such national security agreement.
 - Create a divestiture procedure for a violation of the prohibition in G.S. 64-63. Upon receipt of information that leads the Attorney General (AG) to believe there is a violation, the AG shall investigate and may issue subpoenas. To enforce a violation, the AG shall commence a receivership proceeding under the North Carolina Commercial Receivership Act (Article 38A of Chapter 1 of the General Statutes). The following rules apply to a receivership proceeding commenced:
 - Proceeds of the sale shall be paid as follows:
 - The costs of the receivership and sale.
 - To secured parties, in their order of priority, except for liens which under the terms of the sale are to remain on the property.
 - No proceeds shall be distributed to the adversarial foreign government. Any excess proceeds are forfeited and remitted to the Civil Penalty and Forfeiture Fund.
 - Any secured party can only 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.
 - Upon commencement of an action, the AG shall file a notice of lis pendens with the register of deeds of the county where the real property is located. Once a sale is ordered, the AG shall record a copy of the order as soon as practicable in the office of the register of deeds where the real property is located.

Section 2 of the bill would modify G.S. 1-507.24 in the North Carolina Commercial Receivership Act by creating a new subsection to allow a general receiver to be appointed to conduct a sale of real property owned by an adversarial foreign government, in violation of G.S. 64-63.

Section 3 of the bill would provide if any section or provision is declared unconstitutional or invalid by the courts, it does not affect the validity of any other part of the bill.

EFFECTIVE DATE: House Bill 133 would become effective December 1, 2025, and would apply to an interest in real property acquired on or after that date.

² CFIUS operates pursuant to section 721 of the Defense Production Act of 1950.