



**This Bill Analysis
reflects the contents
of the bill as it was
presented in
committee.**

SENATE BILL 394: Prohibit Foreign Ownership of NC Land.

2025-2026 General Assembly

Committee:	Senate Agriculture, Energy, and Environment.	Date:	April 8, 2025
	If favorable, re-refer to Judiciary. If favorable, re-refer to Rules and Operations of the Senate		
Introduced by:	Sens. Brinson, Hanig, Moffitt	Prepared by:	Chris Saunders
Analysis of:	First Edition		Committee Counsel

OVERVIEW: *Senate Bill 394 would provide that prohibited foreign parties may not hold any interest in agricultural land, land within a 25-mile radius of a military installation, or land that is situated under special use airspace. This act would also require that, before recording a deed or other document that conveys an interest in land, the register of deeds must require that the parties provide information sufficient to establish their current citizenship, residential status, or, for non-individual entities, the state or nation that the entity is organized under.*

BILL ANALYSIS: Section 1 of Senate Bill 394 would define China, Iran, North Korea, and Russia as adversarial nations and would define a "**prohibited foreign party**" as any of the following, unless the entity has been approved by the Committee of Foreign Investment in the United States:

- A citizen or resident of an adversarial nation.
- A foreign government formed within an adversarial nation.
- A party other than an individual or government that is created or organized under the laws of a foreign government within an adversarial nation.
- A party other than an individual or government that is organized under the laws of any state, but over which any person or entity in the above categories has a significant interest or substantial control.
- An agent, trustee, or other fiduciary of any entity in the above categories.

This act would generally prohibit a prohibited foreign party from purchasing, acquiring, leasing, or holding any interest, except for a de minimis direct interest¹, in any of the following:

- Agricultural land.
- Land that is within a 25-mile radius of a military installation.

¹ Defined as ownership of land resulting from ownership of registered equities in a publicly traded company owning the land and if the ownership interest in the company is either (i) less than 5% of any class of registered equities or less than 5% in the aggregate in multiple classes of registered equities, or (ii) 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.

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- Land that is situated under special use airspace, as designated by the Federal Aviation Administration.

However, a prohibited foreign party who is a resident alien of the United States would be able to acquire and hold those lands to the same extent as a citizen of the United States for as long as that person resides in this State.

A prohibited foreign entity that holds any interest in lands described above prior to December 1, 2025, could continue to hold those lands but may not acquire any new interest in such lands, and must register with the Secretary of State and the Attorney General. Failure to register would be punishable by a civil penalty of at least \$1,000 per day. The unpaid balance would constitute a lien against the land.

If a prohibited foreign entity acquires such lands after December 1, 2025, it would be required to divest itself of the land within three years of the acquisition. If the prohibited foreign entity fails to divest itself, the Attorney General would be required to bring an action in superior court in the county where the land is situated. If the land is held in violation of this act, the land would be sold pursuant to Article 29A of Chapter 1 of the General Statutes (Judicial Sales). Proceeds of the sale would be distributed first to lienholders, then to the State for reasonable costs associated with the action and sale, and the remainder would be paid to the owner.

At the time of purchase of any lands listed above, a buyer must provide an affidavit attesting that the buyer is not a prohibited foreign party and is in compliance with this section. Failure to obtain or maintain the affidavit would not affect the title or insurability of the title. Nonparties would be exempt from liability unless the nonparty has actual knowledge that the violation will result in a violation of this section.

Violation of this section, including knowingly selling agricultural land in violation of this section, would be a Class 2 misdemeanor.

Section 2 of this act would require that, before recording a deed or other document that conveys an interest in land, the register of deeds must require that the parties listed as grantor and grantee provide information sufficient to establish their current citizenship, residential status, or, for non-individual entities, the state or nation that the entity is organized under. This information would be recorded in the index of registered instruments maintained in the register's office.

EFFECTIVE DATE: This act would become effective December 1, 2025.

BACKGROUND: A prohibition on ownership of a quartz mining operation or land containing commercial valuable amounts of high purity quartz by an adversarial foreign government was enacted in 2024.