

Representing a Foreign Entity

Rule 1.1

Client-Lawyer Relationship

A lawyer shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness and preparation reasonably necessary for the representation.

Comment:

[4] A lawyer may accept representation where the requisite level of competence can be achieved by reasonable preparation. This applies as well to a lawyer who is appointed as counsel for an unrepresented person. See also Rule 6.2.

Rule 1.2

Client-Lawyer Relationship

(a) Subject to paragraphs (c) and (d), a lawyer shall abide by a client's decisions concerning the objectives of representation and, as required by Rule 1.4, shall consult with the client as to the means by which they are to be pursued. A lawyer may take such action on behalf of the client as is impliedly authorized to carry out the representation. A lawyer shall abide by a client's decision whether to settle a matter. In a criminal case, the lawyer shall abide by the client's decision, after consultation with the lawyer, as to a plea to be entered, whether to waive jury trial and whether the client will testify.

(b) A lawyer's representation of a client, including representation by appointment, does not constitute an endorsement of the client's political, economic, social or moral views or activities.

Comment:

Independence from Client's Views or Activities

[5] Legal representation should not be denied to people who are unable to afford legal services, or whose cause is controversial or the subject of popular disapproval. By the same token, representing a client does not constitute approval of the client's views or activities.

Rule 2.1

Counselor

In representing a client, a lawyer shall exercise independent professional judgment and render candid advice. In rendering advice, a lawyer may refer not only to law but to other considerations such as moral, economic, social and political factors, that may be relevant to the client's situation.

Comment:

[1] A client is entitled to straightforward advice expressing the lawyer's honest assessment. Legal advice often involves unpleasant facts and alternatives that a client may be disinclined to confront. In presenting advice, a lawyer endeavors to sustain the client's morale and may put advice in as acceptable a form as honesty permits. However, a lawyer should not be deterred from giving candid advice by the prospect that the advice will be unpalatable to the client.

Rule 6.4

Public Service

A lawyer may serve as a director, officer or member of an organization involved in reform of the law or its administration notwithstanding that the reform may affect the interests of a client of the lawyer. When the lawyer knows that the interests of a client may be materially benefitted by a decision in which the lawyer participates, the lawyer shall disclose that fact but need not identify the client.

Soil for Sale? State Legislative Efforts to Restrict Foreign Investments – Part Seven

By NALC staff

Available at: <https://nationalaglawcenter.org/soil-for-sale-state-legislative-efforts-to-restrict-foreign-investments-part-seven/>

Since January 2021, almost every state has proposed at least one piece of legislation to prohibit or restrict foreign investments and landholdings in land, particularly private agricultural land, located within the boundaries of their states to some degrees. In fact, over the past few years, the number of states with a foreign ownership law has increased from fourteen to twenty-five. This trend continues in 2025 as the majority of states in the U.S. are considering measures that will enact a foreign ownership law or will amend certain provisions of their states' foreign ownership law.

This is the seventh article of a series discussing recent state proposals that seek to limit or restrict foreign investments in land. The other articles in this series are available [here](#). This article discusses the proposals introduced in North Carolina.

North Carolina is one of several states that do not limit or restrict foreign investments in real property located within the state. In fact, the state's code expressly permits "aliens to take...any lands,...and to hold and convey the same as fully as citizens of" the state. **N.C. Gen. Stat. Ann. § 64-1**. However, the North Carolina state legislature is considering **House Bill 133** ("HB 133") which seeks to restrict certain foreign investments in certain real property. Specifically, this measure will prohibit an adversarial foreign government from acquiring or holding any interest, including a leasehold interest, in agricultural land and land within a 75-mile radius of a military installation.

HB 133 defines "adversarial foreign government" as a government or government-controlled business entity of a country or group subject to International Traffic in Arms Regulations ("ITAR") as provided under **22 C.F.R. § 126**. Some countries subject to ITAR include China, Iran, North Korea, and Russia. Foreign business entities that have been identified by the Committee on Foreign Investment in the U.S. ("CFIUS") as not being a risk to U.S. national security and entities that have a national security agreement with CFIUS are exempt from the foreign ownership restriction under HB 133.

Any transaction that provides an adversarial foreign government an interest in land in violation of this restriction is void, meaning the transaction is treated as if it never happened. Further, HB 133 does not require an individual or entity to investigate or determine whether a party to a transaction is an adversarial foreign government. These individuals and entities will not face civil or criminal liability for failing to determine whether a buyer or tenant of agricultural land or land within a 75-mile radius of a military installation is an adversarial foreign government.

The state legislature is also considering **Senate Bill 504** ("SB 504"), which contains almost identical language to HB 133. HB 133 has been referred to the Committee on Homeland Security and Military of the House and Veterans Affairs for consideration and SB 504 has been referred to the Committee on Rules and Operations of the Senate. At this stage, the committee can review the bill, hear

testimony in support and opposition of the bill, amend the bill, pass the bill for consideration by its respective chamber, or vote to fail passage of the bill out of committee.

The North Carolina state legislature is also considering **Senate Bill 338** ("SB 338"), which contains very similar language to HB 133 and SB 504; however, there are some differences between these measures. SB 338 defines "adversarial foreign government" as government or government-controlled business entity of a country designated as a "foreign adversary" by the U.S. Secretary of Commerce. Currently, the countries deemed as foreign adversaries include China, Cuba, Iran, North Korea, Russia, and Venezuela's Maduro Regime. See **15 C.F.R. § 791.1(a)**. Accordingly, SB 338 restricts a narrower set of governments and government-controlled businesses because there are several more countries subject to ITAR compared to the countries designated as foreign adversaries.

Like HB 133 or SB 504, SB 338 restricts adversarial foreign governments from acquiring any interest in agricultural land located within the state of North Carolina. However, SB 338 prohibits these restricted foreign governments from acquiring land within a 25-mile radius of military installations located within the state, rather than a 75-mile radius as proposed under HB 133 and SB 504.

SB 338 has been referred to the Committee on Rules and Operations of the Senate.

Another piece of foreign ownership legislation considered by the North Carolina state legislature is **Senate Bill 394** ("SB 394"). This measure will restrict a prohibited foreign party ("PFP") of an adversarial nation—which includes China, Iran, North Korea, and Russia—from acquiring any interest, including leasehold interests, in agricultural land, land within 25 miles of a military installation, and land situated underneath special use airspace designed by the Federal Aviation Administration. SB 394 defines PFP as an individual, business entity, or government of an adversarial nation. Entities, including U.S. entities, are considered PFPs where a significant interest or substantial control is directly or indirectly held by a PFP.

Specifically, a PFP has a "significant interest or substantial control" when they hold 33% or more interest in an entity. In other words, if a Russian citizen holds a 33% interest in a U.S. business, that business is a PFP and is prohibited from acquiring North Carolina agricultural land. Furthermore, multiple PFPs have a significant interest or substantial control of an entity when they hold, in the aggregate, a 33% or more interest and are "acting in concert." Two or more PFPs that "may not be acting in concert" have a significant interest or substantial control in an entity when they hold an interest of 50% or more.

Entities that have a national security agreement with CFIUS and maintain this agreement are not considered PFPs under SB 394. Also, PFPs that are resident aliens of the U.S. are not subject to the restriction under this legislation. However, once a PFP resident alien is no longer a legal resident alien of the U.S., they are required to divest of any interest they hold in agricultural land, land within a 25-mile radius of a military installation, and land under special use airspace located within the state.

This bill will permit PFPs to acquire land through inheritance and enforcement of a security interest; however, they must divest of this interest within 3 years after acquiring the land. Further, purchasers of land are required to sign an affidavit stating (1) they are not a PFP and (2) their purchase does not violate the restriction provided under SB 394. This measure permits the state's attorney general to bring a forfeiture action against PFPs that violate the prohibition. If a court determines a violation has occurred, it will order the land be sold through a public auction.

Additionally, PFPs that violate the restriction under SB 394 are guilty of a Class 2 misdemeanor that carries a penalty of up to 60 days imprisonment and a \$1,000 fine. Individuals and entities that knowingly sell land to a PFP are also guilty of a Class 2 misdemeanor.

Last, SB 394 permits PFP that acquired real property before the effective date of the measure, but these investors must register their landholdings with the North Carolina Secretary of State and Attorney General. PFPs that fail to register are subject to a civil penalty of up to \$1,000 for each day the registration is late.

SB 394 is currently being considered by Senate Committee on the Judiciary.

Conclusion

Over the past few years, the issue of restricting foreign ownership and investments in real property, particularly agricultural and forestland, has emerged or reemerged in almost every state. In fact, fourteen states in 2024 enacted a foreign ownership law or amended its foreign ownership law. In 2025, this trend has continued as most states have introduced at least one piece of foreign ownership legislation in their state. So far in 2025, three states—Kentucky, Idaho, and Utah—have enacted or amended certain portions of its states' foreign ownership law. NALC is tracking each states' foreign ownership proposals and will update this **Statutes Regulation Ownership of Agricultural Land** compilation when there are changes to a state's law.

To read NALC articles discussing foreign investments in U.S. agriculture, click [here](#).

To learn more about foreign ownership of U.S. land, click [here](#).



Updated December 9, 2024

Committee on Foreign Investment in the United States (CFIUS)

The Committee on Foreign Investment in the United States (CFIUS) is an interagency body chaired by the Secretary of the Treasury. It serves the President in overseeing the potential national security risks of certain foreign direct investment (FDI) in the U.S. economy. CFIUS jurisdiction includes the review of mergers, acquisitions, and takeovers that could result in foreign control of a U.S. business; certain noncontrolling investments in businesses involved in critical technologies, critical infrastructure, or sensitive personal data (so-called “TID U.S. businesses”); and certain real estate transactions. At the recommendation of CFIUS, the President may suspend or prohibit transactions that threaten to impair U.S. national security.

The United States is the world’s largest foreign investor and recipient of FDI. U.S. policy has supported a rules-based and open investment environment domestically and globally to promote U.S. economic growth and ensure the U.S. position as a premier FDI destination. Amid this backdrop, CFIUS has reviewed a small subset of foreign investment with an exclusive focus on national security. The focus of CFIUS’s national security actions has evolved over time in response to emerging issues and concerns. Congressional focus on CFIUS has intensified since 2016 amid growing attention to the potential national security ramifications of investments by firms directed, controlled, or funded by a foreign government, notably the People’s Republic of China (PRC), and in strategic sectors. Members have focused on oversight of CFIUS reforms mandated by Congress in 2018 and a variety of legislation that seeks to address perceived gaps in CFIUS’s jurisdiction and actions.

CFIUS Authorities and Composition

CFIUS derives its authorities from Section 721 of the Defense Production Act (DPA), as amended (50 U.S.C. §4565), and implementing regulations (31 C.F.R. Chapter VIII). CFIUS initially was created and operated through a series of executive orders. In 1988, Congress passed the “Exon-Florio” amendment to the DPA (50 U.S.C. App. §2170), which codified the review process, at the time largely driven by concerns over Japanese firms’ acquisitions of U.S. defense-related firms. In 2007, amid concerns over the proposed purchase of commercial operations of six U.S. ports by a firm based in the United Arab Emirates, Congress passed the Foreign Investment and National Security Act of 2007 (P.L. 110-49), which formally gave CFIUS statutory authority.

In 2018, Congress passed the Foreign Investment Risk Review Modernization Act (FIRRMA, Title XVII, P.L. 115-232), which expanded CFIUS’s jurisdiction and review process in key ways. FIRRMA was intended to “strengthen and modernize” CFIUS and enhance its ability to address concerns involving nonpassive, noncontrolling investments (e.g., minority stake) in TID business and real estate transactions (e.g., land purchases) in proximity to military

installations, or part of maritime ports or airports. Foreign investors with ties to countries that are part of the “five eyes” alliance—Australia, Canada, New Zealand, and the United Kingdom—may be exempt from some of the rules.

CFIUS consists of nine members: Secretary of the Treasury (chair); Secretaries of State, Defense, Homeland Security, Commerce, and Energy; Attorney General; U.S. Trade Representative; and Director of the Office of Science and Technology Policy. The Secretary of Labor and Director of National Intelligence (DNI) are nonvoting, ex officio members. Five White House offices observe or participate in CFIUS, as appropriate (e.g., the Council of Economic Advisers and National Security Council). The President can appoint other officials to serve on a case-by-case basis.

CFIUS Review Process

The review process begins with notification to CFIUS by the parties to the transaction, which is a voluntary step except in certain cases. Even when notification is not mandatory, firms have an incentive to do so to receive potential “safe harbor” from CFIUS, which limits future CFIUS action on a transaction after its cleared. Non-notified transactions remain subject indefinitely to future CFIUS review and possible divestment or other actions mandated by the President. As directed by FIRRMA, CFIUS has increased attention and resources to monitoring non-notified transactions of concern. CFIUS may also unilaterally initiate a review.

The President can exercise authority to suspend or prohibit a foreign investment, subject to a CFIUS review, if he/she finds that (1) credible evidence exists that the foreign person might take action that threatens to impair national security, and (2) no other laws provide “adequate and appropriate authority” to protect the national security risks.

Notification. A party’s filing of a transaction can be submitted as (1) a declaration (an abbreviated, short-form filing (30-day CFIUS assessment) or (2) a traditional written notice (45-day CFIUS review). Declarations and notices are distinguished by submission length, timeline for CFIUS’ consideration, and CFIUS’s options for disposition of the submission. Filing is mandatory in select cases where a transaction involves (1) a foreign government acquiring a “substantial interest” in a TID U.S. business, and (2) a TID U.S. business that produces, designs, manufactures, etc. a critical technology subject to export licensing/controls.

National Security Review. Treasury and a co-lead agency conduct a 45-day review to determine the effects of the transaction on U.S. national security, informed by a DNI threat analysis. CFIUS’s “risk-based assessment” considers the threat, vulnerabilities, and consequences to national security related to the transaction. In its assessment, CFIUS is to consider an illustrative list of national security factors.

Factors for consideration laid out in statute include the domestic production needed for national defense; control of domestic industries and commercial activity by foreign citizens; effects on sales of military goods or technology to a country that supports terrorism or proliferates missile technology or chemical and biological weapons; U.S. technological leadership in areas affecting national security; and effects on U.S. critical infrastructure and critical technologies. In 2022, President Biden issued Executive Order (E.O.) 14083 to elaborate and expand on the factors CFIUS is to consider. These include a transaction’s effect on the resilience of U.S. critical supply chains and technological leadership; aggregate industry investment trends; cybersecurity risks; and risks to U.S. persons’ sensitive data. See CRS In Focus IF12415.

National Security Investigation. The review proceeds to a 45-day investigation if CFIUS finds that a transaction threatens U.S. national security and the risk has not been mitigated; is foreign-government controlled; or would result in foreign control of any U.S. critical infrastructure. A 15-day extension is permitted in the event of “extraordinary circumstances.” CFIUS can negotiate and impose mitigation conditions on the parties to address its concerns; a lead agency is tasked with monitoring compliance with such agreements. Treasury issued its first CFIUS Enforcement and Penalty Guidelines in 2022 and regulatory updates in November 2024, emphasizing monitoring and compliance with mitigation measures as priorities.

Presidential Decision. If CFIUS determines a transaction poses unresolved concerns, it may recommend to the President that the deal be prohibited, unless the parties choose to abandon the transaction. The President has 15 days to act. Presidents have prohibited eight transactions to date, the majority in the past decade (**Table 1**). In 2020, President Trump ordered PRC ByteDance Ltd. to divest from musical.ly, a social media firm; this 2017 acquisition formed the basis of U.S. operations of TikTok (see CRS In Focus IF12640). In 2024, President Biden ordered a PRC cryptocurrency mining firm to divest its real estate acquisition/operations near a strategic missile base.

Table 1. Presidential Blocks of Foreign Transactions

Year	U.S. Business	Acquirer	Sector
1990	MAMCO	CATIC	Aerospace
2012	4 wind farms	Ralls Corp. (Sany Group)	Renewables
2016	Aixtron SE	Grand Chip (China IC Fund)	Semiconductor
2017	Lattice	Canyon Bridge Capital Partners	Semiconductor
2018	Qualcomm	Broadcom	Semiconductor
2020	StayNTouch	Shiji Information Technology Co.	Software
2020	Musical.ly	ByteDance	Digital platform
2024	Real estate	MineOne	Crypto mining

Source: Presidential orders.

Recent Activity

CFIUS must report annually to Congress on its activities (**Table 2**). In most years since FIRRMA was enacted, there has been an increase in transactions reviewed. In 2023, CFIUS reviewed 342 filings (109 declarations, 233 notices). CFIUS cleared 83 declarations and requested

parties submit a subsequent notice in 18% of cases. Three declarations involved real estate transactions. More than half of total notices proceeded to an investigation. In 57 cases, parties withdrew the notice during the investigation to address issues, and the majority refiled with CFIUS. CFIUS adopted mitigation measures for 43 notices (18% of total). In 14 cases, parties abandoned the deal after CFIUS was unable to resolve its concerns, or after the parties did not accept the proposed measures.

Table 2. Transactions Reviewed by CFIUS, 2018-2023

	2018	2019	2020	2021	2022	2023
Declarations	20	94	126	164	154	109
Notices	229	231	187	272	286	233
Investigations	158	113	88	130	163	128
Withdrawals	64	30	28	72	87	57
Presidential Decision	1	1	1	0	0	0

Source: CFIUS Annual Report to Congress for CY2023, July 2024.

Note: Report includes one of two presidential orders issued in 2020.

Issues for Congress

Congress remains engaged in oversight of implementation of FIRRMA and CFIUS activities. Some Members say that, despite FIRRMA, PRC and other state-directed investments require a more proactive and strategic approach. Some are concerned that PRC investments, particularly in emerging technologies and new operations, may evade or fall outside current authorities. Some Members have introduced legislation, for example, to expand CFIUS jurisdiction over agricultural land; ban some investments by the PRC and foreign adversaries; and add the Secretary of Agriculture as a member of CFIUS. These efforts stem in part from reports of an uptick in PRC land purchases and Treasury’s 2022 decision that CFIUS did not have jurisdiction to review a PRC firm’s land purchase in North Dakota near a U.S. Air Force base. (Treasury has since added some military installations subject to CFIUS jurisdiction over real estate.) Members also have proposed legislation on certain outbound investment to China. Some in Congress have expressed concerns about other high-profile deals (e.g., the bid by Japan’s Nippon Steel for U.S. Steel Corp., reportedly under CFIUS review). Other issues facing Congress include

- How well is CFIUS balancing an open U.S. investment posture with the aim to protect national security? How should CFIUS protect critical technologies in ways that promote competitiveness and a market-driven economy?
- Post FIRRMA, how sufficient are CFIUS’s authorities to achieve current and emerging policy objectives? How has E.O. 14083 affected CFIUS reviews in practice?
- There may be incentives to file declarations instead of notices due to their fast turnarounds. What types of transactions is CFIUS clearing through declarations?
- How is the Commerce Department’s process of identifying “emerging and foundational technologies” for export controls facilitating or hindering CFIUS reviews of transactions related to such technologies?
- In what ways has CFIUS improved coordination with U.S. allies and partners in information sharing and in investment screening efforts as mandated by FIRRMA?

Cathleen D. Cimino-Isaacs, Specialist in International Trade and Finance

Karen M. Sutter, Specialist in Asian Trade and Finance

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Stricken language would be deleted from and underlined language would be added to present law.
Act 811 of the Regular Session

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

As Engrossed: H3/31/25

A Bill

HOUSE BILL 1680

5 By: Representatives Vaught, Achor, Andrews, Barker, Beaty Jr., Beck, Bentley, S. Berry, Breaux,
6 Brooks, K. Brown, M. Brown, N. Burkes, R. Burkes, Joey Carr, John Carr, Cavanaugh, Childress, C.
7 Cooper, Cozart, Crawford, Eaton, Evans, Furman, Gazaway, Gramlich, Hall, Hawk, Hollowell, L.
8 Johnson, Long, Lundstrum, Lynch, Maddox, McAlindon, McClure, M. McElroy, McGrew, B. McKenzie,
9 McNair, Milligan, J. Moore, Nazarenko, Painter, Pearce, Perry, Pilkington, Puryear, Ray, R. Scott
10 Richardson, Richmond, Rose, Rye, Schulz, M. Shepherd, Steimel, Torres, Tosh, Underwood, Unger,
11 Walker, Wing, Wooten
12 *By: Senator B. Johnson*
13

For An Act To Be Entitled

14
15 AN ACT TO AMEND THE LAW CONCERNING OWNERSHIP OF REAL
16 PROPERTY AND AGRICULTURAL LAND; TO PROHIBIT A
17 FOREIGN-PARTY-CONTROLLED BUSINESS FROM LEASING AN
18 INTEREST IN LAND; TO DEFINE "CRITICAL INFRASTRUCTURE"
19 AS USED IN RELATION TO FOREIGN OWNERSHIP OF LAND; TO
20 PROHIBIT A PROHIBITED FOREIGN PARTY FROM HOLDING AN
21 INTEREST IN REAL PROPERTY OR AGRICULTURAL LAND IN
22 CERTAIN CIRCUMSTANCES; AND FOR OTHER PURPOSES.
23

Subtitle

24
25
26 TO PREVENT A FOREIGN-PARTY-CONTROLLED
27 BUSINESS FROM LEASING LAND; AND TO
28 PROHIBIT A PROHIBITED FOREIGN PARTY FROM
29 HOLDING AN INTEREST IN REAL PROPERTY OR
30 AGRICULTURAL LAND IN CERTAIN
31 CIRCUMSTANCES.
32

33 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
34

35 SECTION 1. Arkansas Code § 18-11-110(a)-(c), prohibitions on land
36 ownership by a prohibited foreign-party-controlled business, are amended to



1 read as follows:

2 (a) As used in this section:

3 (1) "Controlling interest" means an ownership interest of fifty
4 percent (50%) or more, in the aggregate;

5 (2)(A) "Critical infrastructure" means physical or virtual
6 systems and assets that:

7 (i) If incapacitated or destroyed would have a
8 debilitating impact on security, national economic security, public health or
9 safety, or any combination of security, national economic security, or public
10 health and safety; and

11 (ii) Are publicly or privately owned.

12 (B) "Critical infrastructure" includes without limitation:

13 (i) A military installation or facility;

14 (ii) An emergency service;

15 (iii) A power generation or transmission location;

16 (iv) A utility;

17 (v) A bridge;

18 (vi) A tunnel;

19 (vii) A railway;

20 (viii) A dam;

21 (ix) A cybersecurity or classified information
22 storage system; and

23 (x) A communication or information technology node
24 or facility;

25 (3) "Prohibited foreign party" means the same as in § 18-11-802;
26 and

27 ~~(3)~~(4) "Prohibited foreign-party-controlled business" means a
28 corporation, company, association, firm, partnership, society, joint-stock
29 company, trust, estate, or other legal entity whose controlling interest is
30 owned by a prohibited foreign party.

31 (b)(1) A prohibited foreign-party-controlled business shall not
32 acquire by grant, purchase, lease, devise, descent, or otherwise any interest
33 in public or private land in this state.

34 (2) A party may not hold or retain public or private land as an
35 agent, trustee, or other fiduciary for a prohibited foreign-party-controlled
36 business in violation of this section.

1 (3) A prohibited foreign-party-controlled business shall not
2 lease any interest in land in this state.

3 (4) A prohibited foreign party shall not hold any interest in
4 agricultural land located within a ten-mile radius of critical
5 infrastructure.

6 (c)(1) A prohibited foreign-party-controlled business entity in
7 violation of this section shall have ~~two (2) years~~ one (1) year to divest of
8 the public or private land.

9 (2) If a prohibited foreign-party-controlled business entity
10 does not divest the public or private land as required by subdivision (c)(1)
11 of this section, the Attorney General shall commence an action in the circuit
12 court within the jurisdiction of the public or private land.

13 (3)(A) If the public or private land is held in violation of
14 this section, the circuit court shall order that the public or private land
15 be sold through judicial foreclosure.

16 (B) Proceeds of the sale shall be first disbursed to lien
17 holders, if any, in the order of priority, except for liens which under the
18 terms of the sale are to remain on the public or private land.

19 (4) The Attorney General shall promptly record a copy of the
20 following in the local land records:

21 (A) Upon commencement, notice of the pendency of an action
22 brought under subdivision (c)(2) of this section; and

23 (B) The order for the sale of the public or private land
24 under subdivision (c)(3)(A) of this section.

25
26 SECTION 2. Arkansas Code § 18-11-802 is amended to read as follows:

27 18-11-802. Definitions.

28 As used in this subchapter:

29 (1)(A) "Agricultural land" means any Arkansas land ~~which~~ that is
30 ~~outside the corporate limits of a municipality and is:~~

31 (i) Used for forestry production, including without
32 limitation land exceeding ten (10) acres in which ten percent (10%) of the
33 land is stocked by trees of any size, including land that formerly had trees
34 of any size covering the land that will be naturally or artificially
35 regenerated; or

36 (ii) Currently used for, or, if currently idle, land

1 last used within the past five (5) years, for farming, ranching, or timber
2 production, except land not exceeding ten (10) acres in the aggregate, if the
3 annual gross receipts from the sale of the farm, ranch, or timber products
4 produced on the land do not exceed one thousand dollars (\$1,000), including
5 without limitation land used for activities described in the Standard
6 Industrial Classification Manual (1987), Division A, exclusive of industry
7 numbers 0711-0783, 0851, and 0912-0919 which cover animal trapping, game
8 management, hunting carried on as a business enterprise, trapping carried on
9 as a business enterprise, and wildlife management.

10 (B) "Agricultural land" does not include oil, gas, and all
11 other minerals, including coal, lignite, brine, and all minerals known and
12 recognized as commercial minerals underlying the land;

13 (2)(A) "Critical infrastructure" means physical or virtual
14 systems and assets that:

15 (i) If incapacitated or destroyed would have a
16 debilitating impact on security, national economic security, public health or
17 safety, or any combination of security, national economic security, or public
18 health and safety; and

19 (ii) Are publicly or privately owned.

20 (B) "Critical infrastructure" includes without limitation:

21 (i) A military installation or facility;

22 (ii) An emergency service;

23 (iii) A power generation or transmission location;

24 (iv) A utility;

25 (v) A bridge;

26 (vi) A tunnel;

27 (vii) A railway;

28 (viii) A dam;

29 (ix) A cybersecurity or classified information
30 storage system; and

31 (x) A communication or information technology node
32 or facility;

33 (3) "Foreign government" means the same as provided by § 2-3-
34 102;

35 ~~(3)~~(4) "Interest in agricultural land" means all direct interest
36 acquired, transferred, or held in agricultural land, including without

1 limitation a lease of agricultural land+

2 ~~(A) For a term of one (1) year or longer; or~~

3 ~~(B) Renewable by option for terms which, if the options~~
4 ~~were all exercised, would total one (1) year;~~

5 ~~(4)~~(5) "Party" means the same as provided by § 2-3-102;

6 ~~(5)~~(6) "Prohibited foreign party" means:

7 (A) A citizen or resident of a country subject to
8 International Traffic in Arms Regulations, 22 C.F.R. § 126.1, unless the
9 person is also a citizen of the United States;

10 (B) A foreign government formed within a country subject
11 to International Traffic in Arms Regulations, 22 C.F.R. § 126.1;

12 (C) A party or entity other than an individual or a
13 government, that is created or organized under the laws of a foreign
14 government within a country subject to International Traffic in Arms
15 Regulations, 22 C.F.R. § 126.1;

16 (D) Any party or entity other than an individual or a
17 government:

18 (i) That is created or organized under the laws of
19 any state; and

20 (ii) In which a significant interest or substantial
21 control is directly or indirectly held or is capable of being exercised by:

22 (a) An individual referred to in subdivision
23 ~~(5)(A)~~ (6)(A) of this section;

24 (b) A foreign government referred to in
25 subdivision ~~(5)(B)~~ (6)(B) of this section;

26 (c) A party or entity referred to in
27 subdivision ~~(5)(C)~~ (6)(C) of this section; or

28 (d) A combination of the individuals, parties,
29 entities, or governments referred to in this subdivision ~~(5)(D)(ii)~~
30 (6)(D)(ii);

31 (E) An Entity of Particular Concern designated by the
32 United States Department of State; or

33 (F) An agent, trustee, or other fiduciary of a person or
34 entity enumerated in subdivisions ~~(5)(A)-(E)~~ (6)(A)-(E) of this section;

35 ~~(6)~~(7) "Residence" means a person's principal dwelling place
36 where the person intends to remain permanently for an indefinite period of

1 time;

2 ~~(7)~~(8) "Resident alien" means a person who:

3 (A) Is not a citizen of the United States; and

4 (B) Is a resident of a:

5 (i) State of the United States;

6 (ii) Territory of the United States;

7 (iii) Trusteeship of the United States; or

8 (iv) Protectorate of the United States; and

9 ~~(8)~~(9) "Significant interest" or "substantial control" means:

10 (A) An interest of thirty-three percent (33%) or more held

11 by:

12 (i) A party referred to in subdivision ~~(5)(D)~~ (6)(D)

13 of this section;

14 (ii) An individual referred to in subdivision ~~(5)(A)~~

15 (6)(A) of this section;

16 (iii) A party referred to in subdivision ~~(5)(C)~~

17 (6)(C) of this section; ~~or~~

18 (iv) A single government referred to in subdivision

19 ~~(5)(B)~~ (6)(B) of this section; or

20 (v) A party acting in concert with one (1) or more

21 prohibited foreign parties;

22 (B) An interest of thirty-three percent (33%) or more held

23 whenever the parties, individuals, or governments referred to in subdivision

24 ~~(5)~~ (6) of this section are acting in concert with respect to the interest

25 even though no single individual, party, or government holds an interest of

26 thirty-three percent (33%) or more; or

27 (C) An interest of fifty percent (50%) or more, in the

28 aggregate, held by parties, individuals, or governments referred to in

29 subdivision ~~(5)~~ (6) of this section even though the individuals, parties, or

30 foreign governments may not be acting in concert.

31

32 SECTION 3. Arkansas Code § 18-11-803 is amended to read as follows:

33 18-11-803. Limitations on owning agricultural land – Violation.

34 (a)(1) Except as provided in § 18-11-804, a prohibited foreign party

35 shall not acquire by grant, purchase, lease, devise, descent, or otherwise

36 any interest in agricultural land in this state ~~regardless of whether the~~

1 ~~prohibited foreign party intends to use the agricultural land for nonfarming~~
2 ~~purposes.~~

3 (2) A party may not hold agricultural land as an agent, trustee,
4 or other fiduciary for a prohibited foreign party in violation of this
5 subchapter.

6 (3) A prohibited foreign party shall not hold any interest in
7 agricultural land located within a ten-mile radius of critical
8 infrastructure.

9 (b) A prohibited foreign party that acquires agricultural land in
10 violation of this subchapter remains in violation as long as the prohibited
11 foreign party holds an interest in the agricultural land.

12
13 SECTION 4. Arkansas Code § 18-11-804(b)(1), concerning an interest in
14 agricultural land owned by a prohibited foreign party, is amended to read as
15 follows:

16 (b)(1) If a prohibited foreign party is no longer a resident alien
17 under subsection (a) of this section, he or she shall have ~~two (2) years~~ one
18 (1) year to divest of the agricultural land.

19
20 SECTION 5. Arkansas Code § 18-11-804(e), concerning an interest in
21 agricultural land owned by a prohibited foreign party, is amended to read as
22 follows:

23 (e) A prohibited foreign party or other party acting in concert with a
24 prohibited foreign party as an agent, trustee, or other fiduciary owning
25 agricultural land subsequent to the passage of this subchapter and not listed
26 under one (1) of the exceptions set out in subsections (a) and (b) of this
27 section shall upon conviction be guilty of a felony punishable by not more
28 than two (2) years' imprisonment in the custody of the Division of Correction
29 or a fine of fifteen thousand dollars (\$15,000), or both.

30
31 /s/Vaught

32
33
34 **APPROVED: 4/17/25**

1 State of Arkansas *As Engrossed: H4/1/25 S4/8/25*

2 95th General Assembly

A Bill

3 Regular Session, 2025

HOUSE BILL 1800

4

5 By: Representative McAlindon

6 By: Senator M. McKee

7

8

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING DISCLOSURE FOR
10 CAMPAIGN FINANCE; TO REQUIRE DISCLOSURE BY A
11 REPRESENTATIVE OF A HOSTILE FOREIGN PRINCIPAL; TO
12 AMEND PORTIONS OF THE ARKANSAS CODE THAT RESULTED
13 FROM INITIATED ACT 1 OF 1990; AND FOR OTHER PURPOSES.

14

15

16

Subtitle

17 TO AMEND THE LAW CONCERNING DISCLOSURE
18 FOR CAMPAIGN FINANCE; TO REQUIRE
19 DISCLOSURE BY A REPRESENTATIVE OF A
20 HOSTILE FOREIGN PRINCIPAL; AND TO AMEND
21 PORTIONS OF THE ARKANSAS CODE THAT
22 RESULTED FROM INITIATED ACT 1 OF 1990.

23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

25

26 SECTION 1. Arkansas Code § 7-6-217(g)(1) - (3), concerning the
27 creation of the Arkansas Ethics Commission and resulting from Initiated Act 1
28 of 1990, is amended to read as follows:

29 (g) The commission shall have the authority to:

30 (1) Under the Arkansas Administrative Procedure Act, § 25-15-201
31 et seq., promulgate reasonable rules to implement and administer the
32 requirements of this subchapter, as well as § 7-1-114 [repealed]; the
33 Disclosure Act for Public Initiatives, Referenda, and Measures Referred to
34 Voters, § 7-9-401 et seq.; § 19-11-718; § 21-8-301 et seq.; the Disclosure
35 Act for Lobbyists and State and Local Officials, § 21-8-401 et seq., § 21-8-
36 601 et seq., § 21-8-701 et seq., and § 21-8-801 et seq.; § 21-8-901 et seq.;



1 § 21-8-1001 et seq.; § 21-8-1101 et seq.; § 25-1-125; and Arkansas
2 Constitution, Article 19, §§ 28-30; and to govern procedures before the
3 commission, matters of commission operations, and all investigative and
4 disciplinary procedures and proceedings;

5 (2) Issue advisory opinions and guidelines on the requirements
6 of § 6-24-101 et seq.; § 7-1-103(a)(1)-(4), (6), and (7); § 7-1-114
7 [repealed]; this subchapter; the Disclosure Act for Public Initiatives,
8 Referenda, and Measures Referred to Voters, § 7-9-401 et seq.; § 19-11-718; §
9 21-8-301 et seq.; the Disclosure Act for Lobbyists and State and Local
10 Officials, § 21-8-401 et seq., § 21-8-601 et seq., § 21-8-701 et seq., and §
11 21-8-801 et seq.; § 21-8-901 et seq.; § 21-8-1001 et seq.; § 21-8-1101 et
12 seq.; § 25-1-125; and Arkansas Constitution, Article 19, §§ 28-30;

13 (3) After a citizen complaint has been submitted to the
14 commission, investigate alleged violations of § 6-24-101 et seq.; § 7-1-
15 103(a)(1)-(4), (6), and (7); § 7-1-114 [repealed]; this subchapter; the
16 Disclosure Act for Public Initiatives, Referenda, and Measures Referred to
17 Voters, § 7-9-401 et seq.; § 19-11-718; § 21-1-401 et seq.; § 21-8-301 et
18 seq.; the Disclosure Act for Lobbyists and State and Local Officials, § 21-8-
19 401 et seq., § 21-8-601 et seq., § 21-8-701 et seq., and § 21-8-801 et seq.;
20 § 21-8-901 et seq.; § 21-8-1001 et seq.; § 21-8-1101 et seq.; § 25-1-125; and
21 Arkansas Constitution, Article 19, §§ 28-30; and render findings and
22 disciplinary action thereon;

23
24 SECTION 2. Arkansas Code § 7-6-218(a)(1), concerning citizen
25 complaints filed with the Arkansas Ethics Commission and resulting from
26 Initiated Act 1 of 1990, is amended to read as follows:

27 (a)(1) Any citizen may file a complaint with the Arkansas Ethics
28 Commission against a person covered by this subchapter, by § 6-24-101 et
29 seq.; § 7-1-103(a)(1)-(4), (6), or (7); § 7-1-114 [repealed]; the Disclosure
30 Act for Public Initiatives, Referenda, and Measures Referred to Voters, § 7-
31 9-401 et seq.; § 21-1-401 et seq.; § 21-8-301 et seq.; the Disclosure Act for
32 Lobbyists and State and Local Officials, § 21-8-401 et seq., § 21-8-601 et
33 seq., § 21-8-701 et seq., and § 21-8-801 et seq.; § 21-8-901 et seq.; § 21-8-
34 1001 et seq.; § 21-8-1101 et seq.; § 25-1-125; and Arkansas Constitution,
35 Article 19, §§ 28-30, for an alleged violation of the subchapters or
36 sections. For purposes of this subdivision (a)(1), the Arkansas Ethics

1 Commission shall be considered a citizen.

2

3 SECTION 3. Arkansas Code § 7-6-218(b)(1)(A), concerning citizen
4 complaints filed with the Arkansas Ethics Commission and resulting from
5 Initiated Act 1 of 1990, is amended to read as follows:

6 (b)(1)(A) Upon a complaint stating facts constituting an alleged
7 violation signed under penalty of perjury by any person, the Arkansas Ethics
8 Commission shall investigate the alleged violation of this subchapter or § 6-
9 24-101 et seq.; § 7-1-103(a)(1)-(4), (6), or (7); § 7-1-114 [repealed]; the
10 Disclosure Act for Public Initiatives, Referenda, and Measures Referred to
11 Voters, § 7-9-401 et seq.; § 21-1-401 et seq.; § 21-8-301 et seq.; the
12 Disclosure Act for Lobbyists and State and Local Officials, § 21-8-401 et
13 seq., § 21-8-601 et seq., § 21-8-701 et seq., and § 21-8-801 et seq.; § 21-8-
14 901 et seq.; § 21-8-1001 et seq.; § 21-8-1101 et seq.; § 25-1-125; and
15 Arkansas Constitution, Article 19, §§ 28-30.

16

17 SECTION 4. Arkansas Code § 7-6-218(b)(4), concerning citizen
18 complaints filed with the Arkansas Ethics Commission and resulting from
19 Initiated Act 1 of 1990, is amended to read as follows:

20 (4) If the Arkansas Ethics Commission finds a violation of this
21 subchapter; § 6-24-101 et seq.; § 7-1-103(a)(1)-(4), (6), or (7); § 7-1-114
22 [repealed]; § 21-1-401 et seq.; § 21-8-301 et seq.; the Disclosure Act for
23 Lobbyists and State and Local Officials, § 21-8-401 et seq., § 21-8-601 et
24 seq., § 21-8-701 et seq., and § 21-8-801 et seq.; § 21-8-901 et seq.; § 21-8-
25 1001 et seq.; § 21-8-1101 et seq.; § 25-1-125; or Arkansas Constitution,
26 Article 19, §§ 28-30, then the Arkansas Ethics Commission shall do one (1) or
27 more of the following, unless good cause be shown for the violation:

28 (A) Issue a public letter of caution or warning or
29 reprimand;

30 (B)(i) Notwithstanding the provisions of §§ 7-6-202, 7-9-
31 409, 21-8-403, ~~and~~ 21-8-903, and 21-8-1105, impose a fine of not less than
32 fifty dollars (\$50.00) nor more than three thousand five hundred dollars
33 (\$3,500) for negligent or intentional violation of this subchapter; § 6-24-
34 101 et seq.; § 7-1-114 [repealed]; the Disclosure Act for Public Initiatives,
35 Referenda, and Measures Referred to Voters, § 7-9-401 et seq.; § 21-8-301 et
36 seq.; the Disclosure Act for Lobbyists and State and Local Officials, § 21-8-

1 401 et seq., § 21-8-601 et seq., § 21-8-701 et seq., and § 21-8-801 et seq.;
2 § 21-8-901 et seq.; § 21-8-1001 et seq.; § 21-8-1101 et seq.; § 25-1-125; or
3 Arkansas Constitution, Article 19, §§ 28-30.

4 (ii) A fine for violating § 7-1-114 [repealed],
5 shall not exceed one hundred fifty dollars (\$150).

6 (iii) The Arkansas Ethics Commission shall adopt
7 rules governing the imposition of such fines in accordance with the
8 provisions of the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

9 (iv) All moneys received by the Arkansas Ethics
10 Commission in payment of fines shall be deposited into the State Treasury as
11 general revenues;

12 (C) Order the respondent to file or amend a statutorily
13 required disclosure form; or

14 (D)(i) Report its finding, along with such information and
15 documents as it deems appropriate, and make recommendations to the proper law
16 enforcement authorities.

17 (ii) When exercising the authority provided in this
18 subdivision (b)(4), the Arkansas Ethics Commission is not required to make a
19 finding of a violation of the laws under its jurisdiction.

20
21 Subchapter 11 — Disclosure by Representatives of a Hostile Foreign
22 Principal

23
24 21-8-1101. Legislative findings.

25 The General Assembly finds that:

26 (1) The voters, citizens, and policymakers of this state are
27 entitled to transparency in the political and propaganda activities of
28 organizations that may be controlled by or under the influence of foreign
29 countries hostile to the interests of this state and of the United States;

30 (2) In an increasingly globalized world, determining whether an
31 organization's political and propaganda activities are funded by hostile
32 foreign interests is often difficult; and

33 (3) Legislation is needed to ensure the transparency necessary
34 to allow voters, citizens, and policymakers to evaluate whether political and
35 propaganda activities are funded by potentially hostile foreign actors.

36

1 21-8-1102. Definitions.

2 As used in this subchapter:

3 (1) "Foreign-supported political organization" means a political
4 party or a domestic partnership, association, corporation, organization, or
5 any other combination of persons that has, within the past five (5) calendar
6 years, received money or other things of value from a hostile foreign
7 principal or a representative of a hostile foreign principal and that engages
8 in political activity;

9 (2) "Hostile foreign nation" means the:

10 (A) People's Republic of China;

11 (B) Russian Federation;

12 (C) Democratic People's Republic of Korea; or

13 (D) Islamic Republic of Iran;

14 (3) "Hostile foreign principal" means:

15 (A) A government of a hostile foreign nation, a political
16 party of a hostile foreign nation, or any member of a political party of a
17 hostile foreign nation;

18 (B) A nonresident alien of a hostile foreign nation; or

19 (C) A partnership, association, corporation, organization,
20 or other combination of persons organized under the law of or having its
21 principal place of business in a hostile foreign nation;

22 (4) "Political activity" means an activity that is performed to
23 influence an agency or public official of this state, a local government
24 entity within this state, or the public within this state, with reference to:

25 (A) Formulating, adopting, or changing the policies or
26 laws of this state; or

27 (B) Electing or opposing a candidate for local or state
28 public office, not including campaign donations; and

29 (5) "Representative of a hostile foreign principal" means a
30 person:

31 (A) Who acts as an agent, employee, representative, or
32 servant, or otherwise acts at the order, request, or under the direction or
33 control of a hostile foreign principal;

34 (B) Whose actions are financed in whole or in part by a
35 hostile foreign principal; and

36 (C) Who engages in political activity.

1
2 21-8-1103. Transparency in representation of hostile foreign
3 principals.

4 (a)(1) Except as otherwise provided in this subchapter, a person shall
5 not act as a representative of a hostile foreign principal unless the person
6 has filed a true and complete registration statement with the Secretary of
7 State as required by this subchapter.

8 (2) Except as otherwise provided in this section, a person who
9 becomes a representative of a hostile foreign principal shall file a
10 registration statement under oath with the Secretary of State within ten (10)
11 days of the person's becoming a representative of a hostile foreign
12 principal.

13 (3) The obligation of a representative of a hostile foreign
14 principal to file a registration statement, after the tenth day of becoming a
15 representative of a hostile foreign principal, shall continue from day to
16 day, and termination of status as a representative of a hostile foreign
17 principal shall not relieve the representative of a hostile foreign principal
18 from the obligation to file a registration statement for the period during
19 which he or she was a representative of a hostile foreign principal.

20 (b) The registration statement required under this section shall
21 include the following:

22 (1) The registrant's:

23 (A) Name;

24 (B) Principal business address;

25 (C) Other business addresses in the United States or
26 elsewhere; and

27 (D) Residence addresses, if any; and

28 (2) A comprehensive statement of the nature of the registrant's
29 business.

30 (c) A registered representative of a hostile foreign principal under
31 this subchapter shall update the registration statement required under this
32 section no less frequently than quarterly.

33
34 21-8-1104. Transparency in foreign-supported political organizations.

35 (a) No later than January 31, 2026, and each following year, each
36 foreign-supported political organization shall register with the Secretary of

1 State and provide the following information:

2 (1) The name of the foreign-supported political organization,
3 its business address, and upon request the names, titles, and addresses of
4 all officers and directors of the foreign-supported political organization;

5 (2) If the foreign-supported political organization is
6 affiliated with or a chapter of a national organization, the name of the
7 national organization, its address, and the names and addresses of its
8 officers and directors;

9 (3) A detailed statement of any expenditures of money or other
10 things of value made by the foreign-supported political organization within
11 the prior calendar year to influence an agency or public official of this
12 state, a local government entity within this state, or the public within this
13 state, with reference to formulating, adopting, or changing the policies or
14 laws of this state or electing a candidate to local or state public office;
15 and

16 (4) A detailed statement of all money or other thing of value
17 received by the foreign-supported political organization from a hostile
18 foreign principal or a representative of a hostile foreign principal during
19 the prior calendar year.

20 (b) A foreign-supported political organization under this subchapter
21 shall update the registration statement required under this section no less
22 frequently than annually.

23
24 21-8-1105. Penalties for violation.

25 (a) Upon receipt of a complaint that a representative of a hostile
26 foreign principal or a foreign-supported political organization has failed to
27 comply with the registration and reporting requirements of this subchapter,
28 or upon his or her own determination, the Secretary of State may investigate
29 and assess penalties for the violation of this subchapter.

30 (b) The Secretary of State may assess the following civil penalties:

31 (1) For any violation of this subchapter, up to five hundred
32 dollars (\$500) per violation; and

33 (2) For willful or repeated violations of this subchapter, up to
34 two thousand dollars (\$2,000) per violation.

35
36 21-8-1106. Rules.

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The Secretary of State shall promulgate rules to:

- (1) Create and maintain registration statement forms as described under this subchapter; and
- (2) Implement this subchapter.

/s/McAlindon

APPROVED: 4/22/25