

SECOND REGULAR SESSION

HOUSE BILL NO. 1991

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE IRWIN.

4197H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal sections 442.560, 442.566, 442.571, 442.576, 442.581, 442.586, 442.591, and 442.592, RSMo, and to enact in lieu thereof eight new sections relating to foreign ownership of real property, with a penalty provision.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 442.560, 442.566, 442.571, 442.576, 442.581, 442.586, 442.591, and 442.592, RSMo, are repealed and eight new sections enacted in lieu thereof, to be known as sections 442.560, 442.566, 442.571, 442.576, 442.581, 442.586, 442.592, and 442.594, to read as follows:

442.560. Except as provided in sections 442.560 to ~~[442.591]~~ **442.594**, persons not citizens of the United States and not residents of the United States or of some territory, trusteeship, or protectorate of the United States, and corporations not created by or under the laws of the United States or of some state, territory, trusteeship, or protectorate of the United States shall be capable of acquiring, by grant, purchase, devise or descent, real estate except agricultural land as defined in section 442.566, or any interest therein, in this state, and of owning, holding, devising, or alienating the same, and shall incur the like duties and liabilities in relation thereto as if they were citizens of the United States and residents of this state. The provisions of sections 442.560 to ~~[442.591]~~ **442.594** shall not apply to agricultural land located in counties which border the state of Oklahoma which was owned by such a person described in this section prior to January 1, 1995.

442.566. As used in sections 442.560 to ~~[442.591]~~ **442.594**, unless the context clearly requires otherwise, the following terms mean:

EXPLANATION — Matter enclosed in bold-faced brackets ~~[thus]~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

3 (1) "Agricultural land", any tract of land in this state consisting of more than five
4 acres, whether inside or outside the corporate limits of any municipality, which is capable,
5 without substantial modification to the character of the land, of supporting an agricultural
6 enterprise, including but not limited to land used for the production of agricultural crops or
7 fruit or other horticultural products, or for the raising or feeding of animals for the production
8 of livestock or livestock products, poultry or poultry products, or milk or dairy products.
9 Adjacent parcels of land under the same ownership shall be deemed to be a single tract;

10 (2) "Alien", any person who is not a citizen of the United States and who is not a
11 resident of the United States or of some state, territory, trusteeship, or protectorate of the
12 United States;

13 (3) "Director", the director of the Missouri department of agriculture;

14 (4) "Family members" includes all persons within the ninth degree of consanguinity,
15 or the living or surviving spouse of any person within the ninth degree of consanguinity;

16 **(5) "Foreign adversary", a foreign government or foreign nongovernmental**
17 **person who is identified as a foreign adversary under 15 CFR Section 791.4(a), as**
18 **amended;**

19 ~~[(5)]~~ (6) "Foreign business", any business entity, whether or not incorporated,
20 including, but not limited to, **companies, corporations, professional corporations, nonprofit**
21 **corporations, limited liability companies, partnerships, limited partnerships, [and]**
22 **associations, or the equivalent of any entity listed in this subdivision,** in which ~~a~~
23 ~~controlling~~ **an** interest is owned by aliens **or organized under the laws of a foreign**
24 **country, or both.** In determining ownership of a foreign business, legal fictions such as
25 corporate form or trust shall be disregarded;

26 (7) **"Foreign terrorist organization", an organization that has been designated**
27 **or redesignated by the United States Secretary of State to have engaged in terrorist**
28 **activity as defined under 8 U.S.C. Section 1182(a)(3)(B), as amended, or terrorism as**
29 **defined in 22 U.S.C. Section 2656f(d)(2), as amended, and for which a Federal Register**
30 **notice has been made under 8 U.S.C. Section 1189(a)(2)(A)(ii), as amended;**

31 (8) **"Land", any real property of any classification or subclassification within**
32 **this state;**

33 ~~[(6)]~~ (9) "Residence", the place of general abode; the place of general abode of a
34 person means his principal, actual dwelling place in fact, where he intends to remain
35 permanently or for an indefinite period of time at least[-];

36 (10) **"Specially designated global terrorist", an individual or entity that has been**
37 **designated by the President of the United States, the United States Secretary of State, or**
38 **the United States Secretary of the Treasury, for which a Federal Register notice has**
39 **been made under Executive Order 13224, 31 CFR Part 594.**

442.571. 1. Except as provided in ~~[sections]~~ **section 442.586** ~~[and 442.591]~~,
2 **beginning August 28, 2026**, no alien or foreign business shall acquire by grant, purchase,
3 devise, descent or otherwise agricultural land in this state if the total aggregate alien and
4 foreign ownership of agricultural ~~[aereage]~~ **land** in this state exceeds one percent of the total
5 aggregate agricultural ~~[aereage]~~ **land** in this state. A sale or transfer of any agricultural land
6 in this state shall be submitted **by such alien or foreign business** to the director of the
7 department of agriculture **and the attorney general** for review in accordance with subsection
8 3 of this section ~~[only if there is no completed Internal Revenue Service Form W-9 signed by~~
9 ~~the purchaser]~~ **at least thirty calendar days prior to when such sale or transfer of such**
10 **agricultural land is finalized. The attorney general shall review such sale or transfer**
11 **and, within thirty days of receipt, approve or reject such transaction. If the attorney**
12 **general does not take action on such sale or transfer within thirty days, the transaction**
13 **shall be deemed to meet the requirements of this section. Such sale or transfer**
14 **submitted for review shall be deemed a closed record under chapter 610 until such sale**
15 **or transfer is finalized.** No person may hold agricultural land as an agent, trustee, or other
16 fiduciary for an alien or foreign business in violation of sections 442.560 to ~~[442.592]~~
17 **442.594**, provided, however, that no security interest in such agricultural land shall be
18 divested or invalidated by such violation.

19 2. Any alien or foreign business who acquires agricultural land in violation of
20 sections 442.560 to ~~[442.592]~~ **442.594** remains in violation of sections 442.560 to ~~[442.592]~~
21 **442.594** for as long as ~~[he or she]~~ **such alien or foreign business** holds an interest in the land,
22 provided, however, that no security interest in such agricultural land shall be divested or
23 invalidated by such violation.

24 3. (1) Subject to the provisions of subsection 1 of this section, such proposed
25 acquisitions by grant, purchase, devise, descent, or otherwise of agricultural land in this state
26 shall be submitted to the department of agriculture **and the attorney general** to determine
27 whether such acquisition of agricultural land is conveyed in accordance with the one percent
28 restriction on the total aggregate alien and foreign ownership of agricultural land in this state.
29 **Such submission shall be accomplished in the form and manner established by the**
30 **department of agriculture. The attorney general shall review each submission that the**
31 **attorney general receives under this subsection and investigate such acquisition of**
32 **agricultural land if the attorney general believes such acquisition violates this section.**

33 (2) **All land acquired in violation of this section is subject to a court action and**
34 **divestiture under section 442.576.**

35 (3) **The department of agriculture and the attorney general** shall establish by rule
36 the requirements for submission and approval of requests under this subsection.

37 4. Any rule or portion of a rule, as that term is defined in section 536.010, that is
38 created under the authority delegated in this section shall become effective only if it complies
39 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.
40 This section and chapter 536 are nonseverable and if any of the powers vested with the
41 general assembly pursuant to chapter 536 to review, to delay the effective date, or to
42 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
43 rulemaking authority and any rule proposed or adopted after August 28, 2014, shall be invalid
44 and void.

 442.576. 1. If the ~~[director]~~ **attorney general** finds that an alien or foreign business
2 or an agent, trustee, or other fiduciary therefor has acquired ~~[agricultural]~~ land in Missouri in
3 violation of sections 442.560 to ~~[442.592]~~ **442.594**, or the land ceases to be used for
4 nonagricultural purposes ~~[under section 442.591]~~, he or she shall ~~[report the violation to the~~
5 ~~attorney general.~~

6 ~~2. The attorney general shall~~ institute an action in the circuit court of Cole County or
7 the circuit court in any county in which ~~[agricultural]~~ land owned by the alien or foreign
8 business, agent, trustee or other fiduciary, alleged to have violated sections 442.560 to
9 ~~[442.592]~~ **442.594**, is located.

10 ~~[3-]~~ **2.** The attorney general shall file a notice of the pendency of the action with the
11 recorder of deeds of each county in which any portion of such ~~[agricultural]~~ lands is located.
12 If the court finds that the lands in question have been acquired in violation of sections
13 442.560 to ~~[442.592]~~ **442.594**, it shall enter an order so declaring and shall file a copy of the
14 order with the recorder of deeds of each county in which any portion of the ~~[agricultural]~~
15 lands is located. The court shall order the owner to divest ~~[himself]~~ **from ownership** of the
16 ~~[agricultural]~~ land. The owner must comply with the order within two years. The two-year
17 limitation period shall be a covenant running with the title to the land against any alien
18 grantee or assignee. ~~[Provided, however, an incorporated foreign business must divest itself~~
19 ~~of agricultural land within the minimum time required by Article XI, Section 5, of the~~
20 ~~Missouri Constitution.]~~ Any ~~[agricultural]~~ lands not divested within the time prescribed shall
21 be ordered sold by the court at a public sale in the manner prescribed by law for the
22 foreclosure of a mortgage on real estate for default in payment.

 442.581. Any person who obtains a lease on agricultural land for a term of ten years
2 or longer or a lease renewable at his option for terms which might total ten years has acquired
3 agricultural land within the meaning of sections 442.560 to ~~[442.591]~~ **442.594**.

 442.586. Sections 442.560 to ~~[442.591]~~ **442.594** shall not apply to agricultural land
2 now owned in this state by aliens or foreign businesses so long as it is held by the present
3 owners or their direct descendants including any trust for the benefit of either and any legal
4 person owned or controlled by either including but not limited to corporations, limited

5 liability corporations, partnerships, and limited liability partnerships, nor to any alien who is
6 or shall take up bona fide residence in the United States; and any alien who is or shall become
7 a bona fide resident of the United States shall have the right to acquire and hold agricultural
8 lands in this state upon the same terms as citizens of the United States during the continuance
9 of such bona fide residence in the United States; except, that if any resident alien shall cease
10 to be a bona fide resident of the United States, such alien shall have two years from the time
11 he ceased to be a bona fide resident in which to divest himself of such agricultural lands. Any
12 agricultural lands not divested within the time prescribed shall be ordered sold by the court at
13 a public sale in the manner prescribed by law for the foreclosure of a mortgage on real estate
14 for default in payment.

442.592. 1. For the purposes of this section, the term "foreign person" means:

2 (1) An individual who is not a citizen of the United States and who has not been
3 lawfully admitted to the United States for permanent residence under the Immigration and
4 Nationality Act or who has not been made a citizen by an act of Congress;

5 (2) An entity, other than an individual or a government, that is created or organized
6 under the laws of a nation other than the United States, or that has its principal place of
7 business in a foreign nation;

8 (3) An entity, other than an individual or a government, that is created or organized
9 under the laws of the United States or of some state, territory, trusteeship or protectorate of
10 the United States and that, as defined in regulations to be prescribed by the director, is
11 ~~[substantially]~~ controlled by individuals referred to in subdivision (1) of this subsection,
12 entities referred to in subdivision (2) of this subsection, governments of foreign nations, or
13 any combination of such individuals, entities, or governments; ~~[and]~~

14 (4) **A foreign business, as defined in section 442.566; and**

15 (5) A government of a foreign nation.

16 2. ~~[Any foreign person who holds any interest (including leaseholds of ten or more~~
17 ~~years and beneficial interests in the agricultural land under contracts of sale or similar~~
18 ~~arrangements), other than a security interest, in agricultural land on September 28, 1979, shall~~
19 ~~submit, or have a designated agent submit, a report to the director of agriculture not later than~~
20 ~~sixty days after September 28, 1979; provided, however, that no reporting requirement~~
21 ~~attaches to any holding by an alien or a foreign person or a foreign business of an interest in~~
22 ~~agricultural land for the extraction, refining, processing or transportation of oil, gas, coal or~~
23 ~~lignite. Such report shall be submitted in such manner as the director shall prescribe by~~
24 ~~regulation and shall contain:~~

25 (1) ~~The legal name and address of the foreign person;~~

26 (2) ~~In any case in which the foreign person is an individual, the citizenship of the~~
27 ~~foreign person;~~

28 ~~(3) In any case in which the foreign person is not an individual or a government:~~
29 ~~(a) The nation in which the foreign person is created or organized;~~
30 ~~(b) The principal place of business of the foreign person;~~
31 ~~(c) The legal name and address of each person who holds a substantial interest (as~~
32 ~~defined in regulations to be prescribed by the director) in the foreign person and, in any case~~
33 ~~in which the holder of such an interest is an individual, the citizenship of the holder and, in~~
34 ~~any case in which the holder of such an interest is not an individual or a government, the~~
35 ~~nation in which the holder is created or organized and the principal place of business of the~~
36 ~~holder;~~
37 ~~(4) The type of interest in the agricultural land that is held by the foreign person;~~
38 ~~(5) A legal description of the agricultural land, including the county in which the land~~
39 ~~is located and the total acreage involved;~~
40 ~~(6) The date of acquisition of the interest and the purchase price paid for, or any other~~
41 ~~consideration given for, the interest;~~
42 ~~(7) A declaration of the type of agricultural activity engaged in by the reporting~~
43 ~~foreign person;~~
44 ~~(8) In the case where any foreign person holds an interest in agricultural land for the~~
45 ~~purposes outlined in section 442.591, a declaration of intent as to the intended use of the land.~~
46 ~~3. No rule or portion of a rule promulgated under the authority of sections 442.560 to~~
47 ~~442.591 shall become effective unless it has been promulgated pursuant to the provisions of~~
48 ~~section 536.024]~~ **The department of agriculture in cooperation with the attorney**
49 **general's office may promulgate all necessary rules and regulations for the**
50 **administration of this section. Any rule or portion of a rule, as that term is defined**
51 **in section 536.010, that is created under the authority delegated in this section shall**
52 **become effective only if it complies with and is subject to all of the provisions of chapter**
53 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable**
54 **and if any of the powers vested with the general assembly pursuant to chapter 536 to**
55 **review, to delay the effective date, or to disapprove and annul a rule are subsequently**
56 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**
57 **adopted after August 28, 2026, shall be invalid and void.**
58 **[4.] 3. Any foreign person who acquires or transfers any interest (including leaseholds**
59 **of ten years or more and beneficial interests in the agricultural land under contracts of sale or**
60 **similar arrangements), other than a security interest, in agricultural land shall submit, or have**
61 **a designated agent submit, a report to the director and the attorney general not later than**
62 **thirty days after the date of such acquisition or transfer; provided, however, that no reporting**
63 **requirement attaches to an acquisition or transfer by an alien or a foreign person or a foreign**
64 **business of an interest in agricultural land for the extraction, refining, processing, or**

65 transportation of oil, gas, coal or lignite. Such report shall be submitted in such manner as the
66 director shall prescribe by regulation and shall contain:

67 (1) The legal name and address of the foreign person;

68 (2) In any case in which the foreign person is an individual, the citizenship of the
69 foreign person;

70 (3) In any case in which the foreign person is not an individual or a government:

71 (a) The nation in which the foreign person is created or organized;

72 (b) The principal place of business of the foreign person;

73 (c) The legal name and address of each person who holds a substantial interest (as
74 defined in regulations to be prescribed by the director) in the foreign person and, in any case
75 in which the holder of such an interest is an individual, the citizenship of the holder and, in
76 any case in which the holder of such an interest is not an individual or a government, the
77 nation in which the holder is created or organized and the principal place of business of the
78 holder;

79 (4) The type of interest in the agricultural land that is acquired or transferred by the
80 foreign person;

81 (5) A legal description of the agricultural land including the county in which the land
82 is located and the total acreage involved;

83 (6) The purchase price paid or received for, or any other consideration given or
84 received for, the interest;

85 (7) In any case in which the foreign person transfers the interest, the legal name and
86 the address of the person to whom the interest is transferred, and

87 (a) In any case in which the transferee is an individual, the citizenship of the
88 transferee; and

89 (b) In any case in which the transferee is not an individual or a government, the nation
90 in which the transferee is created or organized and the principal place of business of the
91 transferee;

92 (8) A declaration of the type of agricultural activity engaged in by the reporting
93 foreign person;

94 (9) In the case where any foreign person acquires an interest in agricultural land ~~for~~
95 ~~the purposes outlined in section 442.591], a declaration of intent as to the intended use of the~~
96 ~~land.~~

97 ~~[5. The director may promulgate rules and regulations pertaining to the form and~~
98 ~~content of reports required by this section; the procedures for filing such reports; and the~~
99 ~~analysis and distribution of findings and determinations based on the reports required by this~~
100 ~~section.~~

101 ~~6.]~~ 4. (1) The director, **in consultation with the attorney general**, shall:

(a) Analyze the information obtained under this section and determine the effects of foreign persons acquiring, transferring and holding agricultural land, particularly the effects of such acquisitions, transfers and holdings on family farms and rural communities; and

(b) Transmit to the governor and each house of the general assembly a report on the director's findings and conclusions regarding each analysis and determination made under paragraph (a) above;

(2) An analysis and determination shall be made, and a report on the [director's] findings and conclusions regarding such analysis and determination transmitted[;]

~~(a) With respect to information obtained by the director under this section during the six-month period following September 28, 1979, within nine months after such date;~~

~~(b) With respect to information obtained by the director under this section during the twelve-month period following September 28, 1979, within fifteen months after such date;~~

~~and~~

~~(c) With respect to each calendar year following the twelve-month period referred to in paragraph (b),] within ninety days after the end of such calendar year.~~

[7.] 5. Any foreign person who fails to file a report required under the provisions of this section is liable to the state in civil penalty. The civil penalty shall be determined by the circuit court in an amount not to exceed twenty-five percent of the fair market value of the interest in agricultural land with respect to which the violations occurred on the date of the assessment of the penalty. The attorney general shall recover the amount of any civil penalty assessed in a civil action in the circuit court in the county in which any part of the land involved is located.

442.594. 1. Except as provided in section 442.586, beginning August 28, 2026, no foreign adversary, foreign terrorist organization, or specially designated global terrorist shall possess or acquire, by grant, purchase, devise, descent, or otherwise, land in this state.

2. The attorney general shall institute an action in the circuit court of Cole County or the circuit court in any county in which land possessed or acquired by a foreign adversary, foreign terrorist organization, or specially designated global terrorist, in violation of subsection 1 of this section, is located.

3. The attorney general shall file a notice of the pendency of the action with the recorder of deeds of each county in which any portion of such land is located. If the court finds that the land in question has been acquired in violation of subsection 1 of this section, it shall enter an order so declaring and shall file a copy of the order with the recorder of deeds of each county in which any portion of the of the land is located. The court shall order the owner to divest himself or herself from ownership of the land. The owner shall comply with the order within two years. The two-year limitation period

16 shall be a covenant running with the title to the land against any alien grantee or
17 assignee. Any lands not divested within the time prescribed shall be ordered sold by the
18 court at a public sale in the manner prescribed by law for the foreclosure of a mortgage
19 on real estate for default in payment.

20 4. Any violations under this section shall be reported to the attorney general of
21 Missouri and shall adhere to requirements of the USA PATRIOT Act of 2001, Pub. L.
22 107-56, as amended. The attorney general shall review each submission that the
23 attorney general receives under this section and investigate such acquisition of land if
24 the attorney general believes such acquisition violates this section.

2 ~~[442.591. The restrictions set forth in sections 442.560 to 442.592~~
3 ~~shall not apply to agricultural land or any interest therein acquired by an alien~~
4 ~~or foreign business for immediate or potential use in nonfarming purposes. An~~
5 ~~alien or foreign business may hold such agricultural land in such acreage as~~
6 ~~may be necessary to its nonfarm business operation; provided, however, that~~
7 ~~pending the development of agricultural land for nonfarm purposes, such land~~
8 ~~may not be used for farming except under lease to a family farm unit; a family~~
9 ~~farm corporation defined in section 350.010; an alien or foreign business~~
10 ~~which has filed with the director under sections 442.560 to 442.592; or except~~
11 ~~when controlled through ownership, options, leaseholds or other agreements~~
12 ~~by a corporation which has entered into an agreement with the United States of~~
13 ~~America pursuant to the New Community Act of 1968 (Title IV of the Housing~~
14 ~~and Urban Development Act of 1969, 42 U.S.C. 3901-3914), as amended, or a~~
~~subsidiary or assignee of such a corporation.]~~

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