MISSISSIPPI LEGISLATURE

REGULAR SESSION 2024

By: Representative Currie

To: Agriculture

HOUSE BILL NO. 348

1 AN ACT TO CREATE THE "MISSISSIPPI AGRICULTURAL LAND 2 PROTECTION AND FOREIGN ACQUISITION PROHIBITION ACT" FOR THE 3 PURPOSES OF PROHIBITING CERTAIN FOREIGN GOVERNMENTS AND 4 NONRESIDENT ALIENS FROM PURCHASING, ACQUIRING, LEASING, OR HOLDING 5 AN INTEREST IN AGRICULTURAL LAND WITHIN THE STATE OF MISSISSIPPI; 6 TO DEFINE TERMINOLOGY USED IN THE ACT; TO PROHIBIT ANY PARTY FROM HOLDING AGRICULTURAL LAND AS AN AGENT, TRUSTEE OR OTHER FIDUCIARY 7 FOR A PROHIBITED FOREIGN PARTY; TO PROVIDE THAT A PROHIBITED 8 9 FOREIGN PARTY WHO IS A RESIDENT ALIEN OF THE UNITED STATES IS 10 ENTITLED TO ACQUIRE AND HOLD AGRICULTURAL LAND IN THE STATE AS A 11 CITIZEN OF THE UNITED STATES FOR THE DURATION OF HIS OR HER 12 RESIDENCE IN THE STATE OF MISSISSIPPI, TO PROVIDE THAT NO SUCH 13 RESIDENT ALIEN SHALL BE ENTITLED TO ACQUIRE A HOLD ON ANY AGRICULTURAL LAND WITHIN A RADIUS OF 100 MILES OF A UNITED STATES 14 15 MILITARY INSTALLATION, AS PRESCRIBED IN THE REAL ESTATE 16 REGULATIONS OF THE COMMITTEE ON FOREIGN INVESTMENTS IN THE UNITED 17 STATES (CFIUS); TO REQUIRE A PROHIBITED FOREIGN PARTY TO DIVEST OF 18 THE LAND HELD WITHIN TWO YEARS AFTER THEY ARE NO LONGER A RESIDENT 19 ALIEN; TO AUTHORIZE THE ATTORNEY GENERAL TO COMMENCE A LEGAL 20 ACTION AGAINST PROHIBITED FOREIGN PARTY OFFENDERS WHO FAIL TO 21 DIVEST OF THE RESPECTIVE PROPERTY AN ACTION IN CIRCUIT COURT 22 WITHIN THE JURISDICTION WHEREIN THE AGRICULTURAL LAND IS SITUATED; 23 TO PRESCRIBE THE PROCESSES TO BE FOLLOWED BY THE SECRETARY OF 24 STATE'S OFFICE AND THE ATTORNEY GENERAL WHEN IT HAS BEEN 25 DETERMINED THAT A PROHIBITED FOREIGN PARTY HAS ACOUIRED 26 AGRICULTURAL LAND IN VIOLATION OF THIS ACT; TO AMEND SECTIONS 27 89-1-23 AND 29-1-75, MISSISSIPPI CODE OF 1972, IN CONFORMITY TO 28 THE PRECEDING PROVISIONS; TO AMEND SECTION 7-3-5, MISSISSIPPI CODE 29 OF 1972, TO EXPAND THE DUTIES OF THE SECRETARY OF STATE WITH 30 REGARD TO ENFORCING THE PROVISIONS OF THIS ACT IN CONJUNCTION WITH 31 THE COMMISSIONER OF AGRICULTURE AND COMMERCE; AND FOR RELATED 32 PURPOSES.

33 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

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34 <u>SECTION 1.</u> This act shall be known and may be cited as the 35 "Mississippi Agricultural Land Protection and Foreign Acquisition 36 Prohibition Act."

37 <u>SECTION 2.</u> As used in this act, the following terms shall 38 have the meaning ascribed in this section unless the context 39 clearly requires otherwise:

40 (a) "Agricultural land" means any land situated within
41 the boundaries of the State of Mississippi which is located
42 outside the corporate limits of a municipality, and which is:

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

(ii) Currently used for, or, if currently idle, last used within the past five (5) years, for farming, ranching or timber production, except land not exceeding ten (10) acres in the aggregate, if the annual gross receipts from the sale of the farm, ranch or timber products produced on the land do not exceed One Thousand Dollars (\$1,000); or

54 (iii) Used for agricultural, forestry, or timber
55 production purposes as determined by the United States Secretary
56 of Agriculture under regulations to be prescribed by the
57 Secretary, as defined in 7 USCS Section 3508.

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24/HR26/R815.1 PAGE 3 (DJ\KW) 83 individuals, parties or foreign governments may not be acting in 84 concert.

85 (c) "Department" means the Mississippi Department of86 Agriculture and Commerce.

(d) "Foreign government" means a government or the
state-controlled enterprise of a foreign government, except the
term "foreign government" does not include the government of the
United States, its states, territories or possessions.

91 (e) "Interest" means any estate, remainder or reversion
92 or portion of the estate, remainder or reversion, or an option
93 pursuant to which one (1) party has a right to cause legal or
94 equitable title to agricultural land to be transferred.

95 (f) "Interest in agricultural land" means all direct 96 interest acquired, transferred, or held in agricultural land, 97 including, without limitation, a lease of agricultural land:

98 (i) For a term of one (1) year or longer; or
99 (ii) Renewable by option for terms which, if the
100 options were all exercised, would total one (1) year.

101 (g) "Prohibited foreign party" means:

102 (i) A citizen or resident of a country subject to
103 International Traffic in Arms Regulations, 22 CFR Section 126.1;
104 (ii) A foreign government formed within a country
105 subject to International Traffic in Arms Regulations, 22 CFR
106 Section 126.1;

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H. B. No. 348 24/HR26/R815.1 PAGE 4 (DJ\KW) 107 (iii) A party other than an individual or a 108 government, that is created or organized under the laws of a foreign government within a country subject to International 109 Traffic in Arms Regulations, 22 CFR Section 126.1; 110 111 (iv) Any party other than an individual or a 112 government: That is created or organized under the 113 1. 114 laws of any state; and 115 2. In which a significant interest or 116 substantial control is directly or indirectly held or is capable 117 of being exercised by: 118 a. An individual referred to in 119 paragraph (g) (i) of this section; 120 b. A foreign government referred to in 121 paragraph (g) (ii) of this section; 122 c. A party referred to in paragraph 123 (q) (iii) of this section; or 124 d. A combination of the individuals, 125 parties, or governments referred to in paragraph (g) (iv) (2); 126 An Entity of Particular Concern designated by (V) 127 the United States Department of State; or 128 (vi) An agent, trustee or other fiduciary of a 129 person or entity enumerated in paragraph (g)(i) through (v) of 130 this section.

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"Residence" means a person's principal dwelling 131 (h) 132 place where the person intends to remain permanently for an indefinite period of time. 133

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(i)

"Resident alien" means a person who: Is not a citizen of the United States; and 135 (i) 136 (ii) Is a resident of a state, territory, trusteeship or protectorate of the United States. 137

138 "State-controlled enterprise" means a business (j) 139 enterprise, however denominated, in which the government has a 140 controlling interest.

141 SECTION 3. (1) (a) Except as provided in Section 4 of this act, a prohibited foreign party shall not acquire by grant, 142 143 purchase, devise, descent or otherwise any interest in agricultural land in this state regardless of whether the 144 145 prohibited foreign party intends to use the agricultural land for 146 nonfarming purposes.

147 A party may not hold agricultural land as an agent, (b) trustee or other fiduciary for a prohibited foreign party in 148 149 violation of this act.

150 A prohibited foreign party that acquires agricultural (2) 151 land in violation of this act remains in violation as long as the 152 prohibited foreign party holds an interest in the agricultural 153 land.

154 SECTION 4. (1) A prohibited foreign party who is a resident alien of the United States shall have the right to acquire and 155

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156 hold agricultural land in the state upon the same terms as a 157 citizen of the United States during the continuance of his or her 158 residence in the State of Mississippi. However, no such resident 159 alien shall be entitled to acquire a hold on any agricultural land 160 in the state within a radius of one hundred (100) miles of a 161 United States military installation as prescribed in the real 162 estate regulations of the Committee on Foreign Investments in the United States (CFIUS) at 31 CFR Section 802. 163

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

(b) If the prohibited foreign party does not divest of the agricultural land as required by paragraph (a) of this subsection, the Attorney General shall commence an action in circuit court within the jurisdiction wherein the agricultural land is situated.

(c) If the agricultural land is held in violation of this section, a quo warranto proceeding, under the authority of Section 11-39-1, the circuit court shall order that the agricultural land be sold through judicial foreclosure or that it escheats to the state in accordance with the provisions of Sections 29-1-75(2)(c) and 89-1-23.

(3) (a) When the Secretary of State determines a prohibitedforeign party has acquired agricultural land in Mississippi in

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(b) Upon receiving notice under paragraph (a) of this
subsection or upon receipt of information that leads the Attorney
General to believe that a violation of this act may exist, the
Attorney General may issue subpoenas requiring the:

186 (i) Appearance of witnesses;

187 (ii) Production of relevant records; and188 (iii) Giving of relevant testimony.

(c) If, as a result of the investigation under subsection (3)(b) of this section, the Attorney General concludes that a violation of this act has occurred, the Attorney General shall commence an action in circuit court within the jurisdiction wherein the agricultural land is situated.

(d) If the agricultural land is held in violation of this act, the circuit court shall order that the agricultural land be sold through judicial foreclosure or that it escheats to the state in accordance with the provisions of Sections 29-1-75(2)(c) and 89-1-23.

(4) (a) The proceeds of the sale of agricultural land by judicial foreclosure authorized under this section shall be disbursed to lien holders, in the order of priority, except for liens which under the terms of the sale are to remain on the agricultural land.

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(b) The Attorney General shall promptly record a copyof the following in the local land records:

(i) Upon commencement, notice of the pendency of an action brought under subsections (2)(b) and (3)(c) of this section; and

(ii) The order for the sale of the agriculturalland under subsections (2)(c) and (3)(d) of this section.

211 A prohibited foreign party owning agricultural land (5) 212 subsequent to the passage of this act and not listed under one (1) of the exceptions set out in subsections (1) and (2) of this 213 section shall, upon conviction, be quilty of a felony punishable 214 215 by imprisonment not to exceed two (2) years imprisonment in the 216 custody of the Mississippi Department of Corrections or a fine of 217 Fifteen Thousand Dollars (\$15,000.00), or both fine and 218 imprisonment.

(6) It is an affirmative defense to prosecution under this section that a prohibited foreign party is a resident alien of the State of Mississippi.

(7) Title to agricultural land is not invalid or subject todivestiture due to a violation of this act by:

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(a) Any former owner; or

(b) Another person holding or owning a former interestin the agricultural land.

(8) The Secretary of State, in conjunction with theCommissioner of Agriculture and Commerce, may designate employees

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(9) No person who is not subject to this act shall be
required to determine or inquire into whether another person is or
may be subject to this act.

237 SECTION 5. Section 89-1-23, Mississippi Code of 1972, is 238 amended as follows:

239 89-1-23. (1) Resident aliens may acquire and hold land, and may dispose of it and transmit it by descent, as citizens of the 240 241 state may. Except as otherwise provided in this section, 242 nonresident aliens shall not hereafter acquire or hold land, but a nonresident alien may have or take a lien on land to secure a 243 244 debt, and at any sale thereof to enforce payment of the debt may 245 purchase the same, and thereafter hold it, not longer than twenty (20) years, with full power during said time to sell the land, in 246 247 fee, to a citizen; or he may retain it by becoming a citizen 248 within that time. All land held or acquired contrary to this 249 section shall escheat to the state; but a title to real estate in 250 the name of a citizen of the United States, or a person who has 251 declared his intention of becoming a citizen, whether resident or 252 nonresident, if he be a purchaser or holder, shall not be

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253 forfeited or escheated by reason of the alienage of any former 254 owner or other person.

255 Any person who was or is a citizen of the United States (2) 256 and became or becomes an alien by reason of marriage to a citizen 257 of a foreign country, may hereafter inherit, or if he or she 258 heretofore inherited or acquired or hereafter inherits, may hold, 259 own, transmit by descent or transfer land free from any escheat to 260 the State of Mississippi, if said land has not heretofore 261 escheated by final valid order or decree of a court of competent 262 jurisdiction.

<u>(3)</u> Nonresident aliens who are citizens of Syria or the
 Lebanese Republic may inherit property from citizens or residents
 of the State of Mississippi.

266 Except as otherwise provided in subsection (5), (4) 267 nonresident aliens may acquire and hold not to exceed three 268 hundred twenty (320) acres of land in this state for the purpose 269 of industrial development thereon. In addition, any nonresident 270 alien may acquire and hold not to exceed five (5) acres of land 271 for residential purposes. The nonresident alien may dispose of 272 any such land, but if any land acquired for industrial development 273 ceases to be used for industrial development while owned by a 274 nonresident alien, it shall escheat to the state. The limitation set forth in this * * * subsection shall not apply to corporations 275 276 in which the stock thereof is partially or wholly owned by nonresident aliens; and title to real estate acquired by, and held 277

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H. B. No. 348 24/HR26/R815.1 PAGE 11 (DJ\KW) 278 in the name of, any corporation, limited partnership, general 279 partnership, limited liability partnership, limited liability 280 company, joint venture, joint stock company or business trust 281 organized and existing under the laws of the State of Mississippi or of any other state or the federal laws of the United States of 282 283 America for purposes of development thereon of one or more 284 projects, as defined in Section 57-75-5(f)(xxxi), shall not be 285 forfeited or escheated by reason of the alienage of any former 286 owner or other person if said land has not heretofore escheated to 287 the State of Mississippi by final valid order or decree of a court of competent jurisdiction. The limitation set forth in this 288 289 section shall also not apply to any real estate acquired by, and 290 held in the name of, any corporation, limited partnership, general 291 partnership, limited liability partnership, limited liability 292 company, joint venture, joint stock company or business trust 293 organized and existing under the laws of the State of Mississippi 294 or of any other state or the federal laws of the United States of America for purposes of developing, owning and/or operating a 295 296 project, as defined in Section 57-75-5(f)(xxxii).

297 (5) A prohibited foreign party, as defined in Section 2 of
298 this act, who is a nonresident alien of the United States, shall
299 not be allowed to acquire and hold any land interests in the State
300 of Mississippi.

301 SECTION 6. Section 29-1-75, Mississippi Code of 1972, is 302 amended as follows:

H. B. No. 348 **~ OFFICIAL ~** 24/HR26/R815.1 PAGE 12 (DJ\KW) 29-1-75. (1) Except as otherwise provided in this section, neither a corporation nor a nonresident alien, nor any association of persons composed in whole or in part of nonresident aliens, shall directly or indirectly purchase or become the owner of any of the public lands; and every patent issued in contravention hereof shall be void.

309 (a) A banking corporation owning such tax-forfeited (2)310 lands or holding a mortgage or deed of trust thereon at the time 311 of the sale to the state, and whose mortgage or deed of trust is 312 still in force and effect, may purchase such lands, regardless of 313 acreage, owned by it as aforesaid or on which it held a mortgage 314 or deed of trust. In the event of a purchase by such corporation 315 as a mortgagee, such lands shall be held for the benefit of the 316 mortgagor subject to all the terms and conditions of the mortgage 317 or deed of trust held by the purchasing banking corporation and, 318 upon payment of the debt secured by such mortgage or deed of 319 trust, together with interest and incidents, such banking 320 corporation shall in that event reconvey such lands to the 321 original mortgagor, his heirs or assigns.

322 (b) Any other nonbanking corporation may purchase lands 323 sold or forfeited to the state for delinquent taxes under any 324 section of Chapter 1, Title 29, specifically relating to the sale 325 of such tax-forfeited lands by the Secretary of State. A 326 nonbanking corporation purchasing land sold or forfeited to the

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327 state shall be subject to the acreage limitations of Section 328 29-1-73.

329 Nonresident aliens may acquire and hold not to (C) 330 exceed three hundred twenty (320) acres of public lands in this 331 state for the purpose of industrial development thereon. In 332 addition, any nonresident alien may acquire and hold not to exceed 333 five (5) acres of public lands for residential purposes. If any 334 land acquired by a nonresident alien for the purpose of industrial 335 development ceases to be used for industrial development, it shall 336 escheat to the public body that sold such land to the nonresident 337 alien.

338 (3) <u>A prohibited foreign party, as defined in Section 2 of</u>
339 <u>this act, who is a nonresident alien of the United States shall</u>
340 <u>not be allowed to acquire and hold any land interests in the State</u>
341 <u>of Mississippi, notwithstanding the purpose for which the land is</u>
342 <u>intended for use.</u>

343 (* * *<u>4</u>) This section shall stand repealed on July 1, 2026.
344 SECTION 7. Section 7-3-5, Mississippi Code of 1972, is
345 amended as follows:

346 7-3-5. (1) The Secretary of State shall keep a correct 347 register of all official acts and proceedings of the Governor and 348 take charge of and safely keep in his office the returns of all 349 elections by the people. He shall lay all official documents 350 before either branch of the Legislature when required; he shall 351 receive from the Clerk of the House of Representatives and the

H. B. No. 348 **~ OFFICIAL ~** 24/HR26/R815.1 PAGE 14 (DJ\KW) 352 Secretary of the Senate, and shall carefully keep and preserve in 353 his office, the journals, papers and proceedings of both houses of 354 the Legislature; and he shall carefully keep and preserve the 355 enrolled acts and resolutions of the Legislature, maps, charts and 356 other property of the state remaining at the seat of government, 357 the keeping of which is not otherwise provided for. He shall act 358 as the custodian of the apostille issued by the Department of 359 Authentications Office of the Hague Conference on Private 360 International Law and shall act as the authorizing official for 361 public documents under the Haque agreement of 1961.

362 The Secretary of State shall collect and analyze (2) 363 information concerning the unlawful sale or possession of 364 agricultural land by prohibited foreign parties and administer and 365 enforce the provisions of the "Mississippi Agricultural Land 366 Protection and Foreign Acquisition Prohibition Act," including, 367 without limitation, the reporting of a violation of the act to the 368 Attorney General under Section 4(3) of this act. 369 SECTION 8. This act shall take effect and be in force from

370 and after July 1, 2024.