
OLR Bill Analysis

sHB 6735

AN ACT PROHIBITING THE OWNERSHIP, POSSESSION OR ACQUISITION OF INTERESTS IN REAL PROPERTY UPON OR ABUTTING MILITARY INSTALLATIONS OR AGRICULTURAL LANDS BY CERTAIN FOREIGN ENTITIES.

SUMMARY

This bill prohibits certain individuals and entities associated with “countries of concern” (i.e. China and Russia) from owning or acquiring interests in real property on or abutting military installations or agricultural land in the state. If a property is within three miles of a military installation and a prospective buyer is associated with these countries, it requires the adjutant general to review the purchase and make a recommendation on it.

The bill also (1) establishes a process by which the state may take title to these individuals’ and entities’ interests in these properties and (2) requires any potential buyers of land abutting agricultural properties or military installations to attest that the purchase would not be prohibited under the bill.

EFFECTIVE DATE: October 1, 2025

COVERED PROPERTY

Under the bill, agricultural land includes any land in the state suitable for cultivating plants that provide food, fibers, and other useful and valuable plant products, and for producing useful animals, livestock, and poultry; and land capable of providing economically profitable farm units. It may also include adjacent pastures, wooded land, natural drainage areas, and other adjacent open spaces. (It is unclear who is responsible for determining if a property constitutes agricultural land under the bill.)

“Military installation” means any military building, structure, land

parcel, or training site owned, leased, or controlled by the federal or state government.

PROHIBITED OWNERSHIP

Under the bill, foreign principals from countries of concern are prohibited from directly or indirectly owning, possessing a controlling interest in, buying, or acquiring through a grant or devise covered real property. (It appears this prohibition is not limited to future purchases or acquisitions and may interfere with current ownership rights.) These countries of concern are China and Russia, as well as any other entity significantly under China's or Russia's control.

Foreign principals include these countries' and entities' governments, government officials, and political parties, including a party's members or any subdivisions. Under the bill, a business (including a partnership, association, corporation, person, or subsidiary of any of these) is a foreign principal if it is (1) organized under the laws of a country of concern or (2) has its principal place of business in one. Lastly, individuals domiciled in a country of concern who are not U.S. citizens or lawful permanent residents are considered foreign principals under the bill as well.

REQUIRED AFFIDAVITS

Anyone who buys real property, or an interest in it, that abuts agricultural land or a military installation must sign an affidavit attesting, under penalty of perjury, that they are not a foreign principal and are not violating the bill's prohibitions. (It appears this requirement does not apply to those buying the land itself, only property abutting it.) The buyer must sign the affidavit at the time of purchase and file it with the adjutant general within one business day.

The bill specifies that if a buyer or seller fails to keep a copy of the affidavit, it does not generally affect the title or the title's insurability, or impose civil liability on them or their closing agent. However, the bill provides an exception to this if the closing attorney has actual knowledge that the purchase violates the bill's prohibition.

PROPERTY NEAR A MILITARY INSTALLATION

If a foreign principal intends to buy real property, or an interest in real property, that is within three miles of any military installation in the state, the bill requires it to notify the adjutant general. The notice must be provided at least 30 days before the purchase and in a form and way the adjutant general sets.

Upon receiving the notice, the adjutant general must immediately review the purchase for public safety and security concerns. Within 15 days of receiving it, he must issue to the foreign principal and the attorney general a written review detailing his findings as well as a recommendation for or against the purchase.

FORFEITURE

The bill establishes a process by which the state may, under certain circumstances, take title to a foreign principal's interests in real property (1) on or abutting agricultural land or a military installation, if the bill prohibits this ownership interest, or (2) within three miles of a military installation if the adjutant general recommended against its purchase. The bill authorizes the attorney general to bring a civil forfeiture action in superior court in the judicial district where the property is located.

At any time during the proceedings, the attorney general may seek an ex parte (i.e. without participation by the other party) court order to seize the property interest. To do so, he must show that the foreign principal's control of it constitutes a clear and present danger to the state.

If the court determines the bill's prohibitions have been violated or the adjutant's general recommendation was reasonable, the court must enter final judgment of the forfeiture and vest title of the interest to the state, subject only to the rights and interests of bona fide lienholders.

The administrative services commissioner, on behalf of the state, may sell the real property interest. The sale proceeds shall be paid out in the following order: (1) bona fide lienholders, (2) fines assessed by the court during the forfeiture proceedings, and (3) the principal who was

divested of their real property interest.

COMMITTEE ACTION

Veterans' and Military Affairs Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/11/2025)