

**Senate Substitute for HOUSE BILL No. 2069**

By Committee on Judiciary

3-27

1 AN ACT concerning real property; relating to the conveyance thereof;  
2 prohibiting the conveyance of certain real property to foreign  
3 adversaries; establishing criminal penalties therefor; requiring the  
4 attorney general to investigate such conveyances.  
5

6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. As used in sections 1 through 3, and amendments thereto:

8 (a) "Entity" means a partnership, association, trust, joint venture,  
9 corporation, group, subgroup or other non-United States governmental  
10 organization.

11 (b) (1) "Foreign adversary" means any government or non-  
12 government person determined to be a foreign adversary pursuant to 15  
13 C.F.R. § 7.4, as in effect on July 1, 2023, except as otherwise provided by  
14 paragraph (2).

15 (2) Upon any occasion when 15 C.F.R. § 7.4 is amended after July 1,  
16 2023, the secretary of agriculture may, in the secretary's sole discretion,  
17 adopt rules and regulations to add or remove a government or non-  
18 government person from the definition of "foreign adversary" but only  
19 after giving due consideration to the risks to state and national security and  
20 the economic costs and benefits of such action.

21 (c) "Person" means an individual or entity.

22 (d) "Person owned by, controlled by or subject to the jurisdiction or  
23 direction of a foreign adversary" means:

24 (1) Any person, wherever located, who acts as an agent,  
25 representative or employee, or any person who acts in any other capacity  
26 at the order, request or under the direction or control, of a foreign  
27 adversary or of a person whose activities are directly or indirectly  
28 supervised, directed, controlled, financed or subsidized in whole or in  
29 majority part by a foreign adversary;

30 (2) any person, wherever located, who is a citizen or resident of a  
31 nation-state controlled by a foreign adversary, unless such person is a dual  
32 citizen of the United States and a foreign adversary;

33 (3) any corporation, partnership, association or other organization  
34 organized under the laws of a nation-state controlled by a foreign  
35 adversary; or

36 (4) any corporation, partnership, association or other organization,

1 wherever organized or doing business, that is owned or controlled by a  
2 foreign adversary.

3 Sec. 2. (a) (1) On or after July 1, 2023, no person owned by,  
4 controlled by or subject to the jurisdiction or direction of a foreign  
5 adversary shall purchase, acquire by grant, devise or descent or otherwise  
6 obtain ownership of any interest in real property located in this state.

7 (2) The provisions of paragraph (1) shall not apply to:

8 (A) Residential real property acquired for the purpose of the owner  
9 establishing a personal residence; or

10 (B) land acquired by:

11 (i) A process of law in the collection of debts;

12 (ii) a deed in lieu of foreclosure pursuant to a forfeiture of a contract  
13 for deed; or

14 (iii) any procedure for the enforcement of a lien or claim on the land,  
15 whether created by mortgage or otherwise.

16 (3) Land described in paragraph (2)(B) shall be sold or otherwise  
17 disposed of within two years after title is transferred.

18 (b) A person owned by, controlled by or subject to the jurisdiction or  
19 direction of a foreign adversary may sell or convey all or any portion of an  
20 ownership interest in real property located in this state that is residential  
21 real property acquired pursuant to paragraph (a)(2)(A) after July 1, 2023,  
22 or was acquired prior to July 1, 2023, but shall not sell or otherwise  
23 convey such ownership interest to any person owned by, controlled by or  
24 subject to the jurisdiction or direction of a foreign adversary in violation of  
25 subsection (a).

26 (c) A person owned by, controlled by or subject to the jurisdiction or  
27 direction of a foreign adversary who inherits real property on or after July  
28 1, 2023, in violation of this act shall have 12 months to divest such  
29 property once the violation is known. Such divestiture shall be an  
30 affirmative defense to any violation of this subsection.

31 (d) The attorney general shall investigate any sale, transfer or other  
32 conveyance of title to real property located in this state if the attorney  
33 general has reason to believe that such transaction violates subsection (a).

34 (e) Real property that is the subject matter of a transaction that  
35 violates this section shall be subject to forfeiture under K.S.A. 60-4101 et  
36 seq., and amendments thereto.

37 Sec. 3. The provisions of sections 1 through 3, and amendments  
38 thereto, are hereby declared severable. If any provision of sections 1  
39 through 3, and amendments thereto, or the application thereof is held  
40 invalid, such invalidity shall not affect any other provision of sections 1  
41 through 3, and amendments thereto, that can be given effect without the  
42 invalid provision.

43 Sec. 4. This act shall take effect and be in force from and after its

- 1 publication in the statute book.