

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
95th General Assembly
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As Engrossed: H3/31/25

A Bill

HOUSE BILL 1680

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

For An Act To Be Entitled

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

Subtitle

TO PREVENT A FOREIGN-PARTY-CONTROLLED BUSINESS FROM LEASING LAND; AND TO PROHIBIT A PROHIBITED FOREIGN PARTY FROM HOLDING AN INTEREST IN REAL PROPERTY OR AGRICULTURAL LAND IN CERTAIN CIRCUMSTANCES.

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

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



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read as follows:

(a) As used in this section:

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

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

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

(ii) Are publicly or privately owned.

(B) "Critical infrastructure" includes without limitation:

(i) A military installation or facility;

(ii) An emergency service;

(iii) A power generation or transmission location;

(iv) A utility;

(v) A bridge;

(vi) A tunnel;

(vii) A railway;

(viii) A dam;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18-11-802. Definitions.

As used in this subchapter:

(1)(A) "Agricultural land" means any Arkansas land ~~which~~ that is ~~outside the corporate limits of a municipality and 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 that will be naturally or artificially regenerated; or

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

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), including without limitation land used for activities described in the Standard Industrial Classification Manual (1987), Division A, exclusive of industry numbers 0711-0783, 0851, and 0912-0919 which cover animal trapping, game management, hunting carried on as a business enterprise, trapping carried on as a business enterprise, and wildlife management.

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

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

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

(ii) Are publicly or privately owned.

(B) "Critical infrastructure" includes without limitation:

(i) A military installation or facility;

(ii) An emergency service;

(iii) A power generation or transmission location;

(iv) A utility;

(v) A bridge;

(vi) A tunnel;

(vii) A railway;

(viii) A dam;

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

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

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

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

limitation a lease of agricultural land+

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

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

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

~~(5)(6)~~ “Prohibited foreign party” means:

(A) A citizen or resident of a country subject to International Traffic in Arms Regulations, 22 C.F.R. § 126.1;

(B) A foreign government formed within a country subject to International Traffic in Arms Regulations, 22 C.F.R. § 126.1, unless the person is also a citizen of the United States;

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

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

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

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

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

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

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

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

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

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

~~(6)(7)~~ “Residence” means a person’s principal dwelling place where the person intends to remain permanently for an indefinite period of

time;

~~(7)~~(8) “Resident alien” means a person who:

- (A) Is not a citizen of the United States; and
- (B) Is a resident of a:
 - (i) State of the United States;
 - (ii) Territory of the United States;
 - (iii) Trusteeship of the United States; or
 - (iv) Protectorate of the United States; and

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

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

- (i) A party referred to in subdivision ~~(5)(D)~~ (6)(D) of this section;
- (ii) An individual referred to in subdivision ~~(5)(A)~~ (6)(A) of this section;
- (iii) A party referred to in subdivision ~~(5)(G)~~ (6)(C) of this section; ~~or~~
- (iv) A single government referred to in subdivision ~~(5)(B)~~ (6)(B) of this section; or
- (v) A party acting in concert with one (1) or more prohibited foreign parties;

(B) An interest of thirty-three percent (33%) or more held whenever the parties, individuals, or governments referred to in subdivision ~~(5)~~ (6) of this section are acting in concert with respect to the interest even though no single individual, party, or government holds an interest of thirty-three percent (33%) or more; or

(C) An interest of fifty percent (50%) or more, in the aggregate, held by parties, individuals, or governments referred to in subdivision ~~(5)~~ (6) of this section even though the individuals, parties, or foreign governments may not be acting in concert.

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

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

(a)(1) Except as provided in § 18-11-804, a prohibited foreign party shall not acquire by grant, purchase, lease, devise, descent, or otherwise any interest in agricultural land in this state ~~regardless of whether the~~

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

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

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

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

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

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

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

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

/s/Vaught