

SENATE BILL NO. 139

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY SENATOR HUGHES

Introduced: 3/19/25

Referred: Resources, Judiciary

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to certain agreements having to do with critical infrastructure; relating**
2 **to who may own or hold certain land; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 34 is amended by adding a new chapter to read:

5 **Chapter 87. Holding of Land by Nonresident Persons.**

6 **Sec. 34.87.010. Persons prohibited from acquiring or leasing land within**
7 **100 miles of a military installation in the state.** (a) Except as provided in (c) of this
8 section, a person who is a citizen of The People's Republic of China, the Islamic
9 Republic of Iran, the Democratic People's Republic of Korea, or the Russian
10 Federation, or a company that is prohibited from entering into agreements relating to
11 critical infrastructure under AS 45.46.010, may not purchase, lease, or otherwise
12 acquire land in the state that is within 100 miles of a military installation.

13 (b) Land purchased, leased, or otherwise acquired in violation of (a) of this
14 section is subject to forfeiture by the attorney general as authorized under

AS 34.87.020. However, title to land may not be invalidated and land may not be forfeited under this section because a prior owner or holder of the land violated this section.

(c) This section does not apply to

(1) a lease of residential property or a dwelling unit;

(2) the purchase, lease, or acquisition of land by a person who is a citizen of The People's Republic of China, the Islamic Republic of Iran, the Democratic People's Republic of Korea, or the Russian Federation and who is a United States citizen.

(d) In this section,

(1) "dwelling unit" has the meaning given in AS 34.03.360;

(2) "military installation" means a base, camp, post, station, yard, center, homeport facility for a ship, armory, or other installation under the jurisdiction of the United States Department of Defense, the United States Coast Guard, the Alaska National Guard, the Alaska Naval Militia, or the Alaska State Defense Force.

Sec. 34.87.020. Investigation and enforcement of violations of AS 34.87.010. (a) If the attorney general receives evidence of a probable violation of AS 34.87.010, the attorney general shall investigate the alleged violation.

(b) The attorney general shall bring an action for forfeiture of an interest in land held in violation of AS 34.87.010 in the judicial district in which the land is located. The attorney general shall record in the recording district in which the land is located a certificate containing the caption and case number of the action and a description of the land. If the court finds that an interest in land in the state is acquired, owned, or held in violation of AS 34.87.010, the court may enter a judgment of forfeiture vesting title to the land in the state, subject to any outstanding liens. The attorney general shall record a certified copy of the court's judgment under this subsection in the recording district in which the land is located. The following apply to a forfeiture proceeding following the court's entering of a judgment of forfeiture under this section:

(1) the attorney general shall, if warranted, request the court to appoint a receiver to take over and manage the land before its sale;

1 (2) the attorney general, with the assistance of the Department of
2 Natural Resources, shall sell the land under AS 38.05;

3 (3) when the land is sold, the attorney general shall disburse the
4 proceeds of the sale to lienholders, in an order of priority determined by the
5 lienholders, except for liens that, under the terms of the judgment of forfeiture, are to
6 remain on the property;

7 (4) a lienholder may bid the lienholder's credit, in an amount that is not
8 more than the amount owed to the lienholder on the date of the sale, as determined by
9 the court in the judgment of forfeiture for the property; and

10 (5) no portion of the proceeds may be distributed to the person from
11 whom the land was forfeited, and all proceeds shall be deposited in the general fund.

12 (c) A person may not be held civilly or criminally liable for failing to
13 determine or inquire whether another person is prohibited from acquiring or leasing
14 land under AS 34.87.010.

15 (d) A forfeiture under this section does not void, invalidate, or otherwise
16 extinguish any bona fide mortgage, lien, or other interest granted by, through, or under
17 the person from whom the land was forfeit.

18 **Sec. 34.87.030. Right of nonresident alien to acquire, hold, and convey**
19 **land.** (a) Except as provided in AS 34.87.010 and 34.87.050, a person who is a
20 nonresident alien, whether the person resides in the United States or a foreign country,
21 may

22 (1) acquire real estate by purchase, devise, or descent;

23 (2) hold and enjoy real estate; and

24 (3) convey, devise, transmit, mortgage, or otherwise encumber real
25 estate in the same manner and with the same effect as citizens of the United States.

26 (b) The title of any real estate inherited, mortgaged, conveyed, or devised is
27 not affected by the alienage of a person from or through whom the title is claimed or
28 derived.

29 **Sec. 34.87.040. Limitations on foreign business entities acquisition of**
30 **agricultural land.** (a) Except as provided in (c) of this section, a foreign business
31 entity may not acquire by grant, purchase, devise, descent, or other means agricultural

land located in the state for the purposes of crop farming or timber production.

(b) Except as provided in (c) of this section, a foreign business entity that acquired agricultural land in the state for the purposes of crop farming or timber production before July 1, 2025, may not grant, sell, or otherwise transfer the agricultural land to another foreign business entity for the purposes of crop farming or timber production after June 30, 2025.

(c) This section does not apply to a foreign business entity leasing or acquiring agricultural land or an interest in agricultural land

(1) that is necessary to the operations of the business for purposes other than crop farming or timber production;

(2) for research or experimental purposes, including testing, developing, or producing seeds or plants for sale or resale to farmers as seed stock;

(3) that is, in the aggregate, not more than

(A) 320 acres in the state and used for crop farming; or

(B) 10 acres in the state and used for timber production; or

(4) for the purposes of

(A) operating a confined feeding operation; or

(B) raising poultry or producing eggs, including hatchery operations and other ancillary activities.

Sec. 34.87.050. Limitations on the ownership of agricultural land. (a)

Except as provided in (c) and (d) of this section, the following persons may not, directly or indirectly, acquire or lease an interest prohibited under (b) of this section in agricultural land in the state:

(1) a person who is a citizen of a country designated as a foreign adversary by the United States Secretary of Commerce under 15 C.F.R. 791.4; or

(2) a foreign business entity that is

(A) wholly owned by, or the majority of stock or other ownership interest of the foreign business entity is held or controlled by

(i) persons who are citizens of a country designated as a foreign adversary by the United States Secretary of Commerce under 15 C.F.R. 791.4;

(ii) a business entity or other entity, including a governmental entity, that is owned or controlled by citizens of, or is directly controlled by the government of, a person or country designated as a foreign adversary by the United States Secretary of Commerce under 15 C.F.R. 791.4; or

(B) headquartered in a country that the United States Secretary of Commerce has designated as a foreign adversary under 15 C.F.R. 791.4.

(b) Except as provided in (c) and (d) of this section, a person listed under (a) of this section may not

(1) acquire by grant, purchase, devise, descent, or otherwise acquire

(A) an interest in agricultural land located in the state; or

(B) mineral, water, or riparian rights on or in agricultural land located in the state;

(2) lease

(A) agricultural land located in the state; or

(B) mineral, water, or riparian rights on or in any agricultural land located in the state.

(c) This section does not apply to a person who is a United States citizen and a citizen of a country designated by the United States Secretary of Commerce as a foreign adversary under 15 C.F.R. 791.4.

(d) Notwithstanding the limitations of this section, a person listed under (a) of this section may continue leasing, or renew a lease of, agricultural land, if the person leased the land before July 1, 2025, and the acreage and land subject to the lease does not change.

(e) A person may not be held civilly or criminally liable for failing to determine or inquire whether another person is subject to this section.

(f) A purchase, acquisition, or lease of agricultural land in violation of this section is subject to forfeiture by the attorney general as authorized under AS 34.87.070.

Sec. 34.87.060. Foreign business entity reporting for acquisitions, sales, or other transfers of an interest in agricultural land. (a) A foreign business entity that

1 acquires, sells, or transfers agricultural land located in the state for the purposes of
 2 crop farming or timber production shall report the acquisition, sale, or transfer to the
 3 attorney general not later than 30 days after the acquisition, sale, or transfer of the
 4 agricultural land.

5 (b) The report must be made in the form and manner prescribed by the
 6 attorney general. The attorney general shall review reports submitted under this
 7 subsection and may investigate an acquisition, sale, or transfer of agricultural land if
 8 the attorney general determines that the acquisition, sale, or transfer of agricultural
 9 land violates AS 34.87.050.

10 **Sec. 34.87.070. Investigation and enforcement of violations of**
 11 **AS 34.87.050.** (a) If the attorney general receives evidence of a probable violation of
 12 AS 34.87.050, the attorney general shall investigate the alleged violation and may
 13 issue subpoenas to require the attendance of witnesses or the production of documents
 14 or other physical evidence, administer oaths, and conduct hearings to aid an
 15 investigation or inquiry. Service of an order or subpoena must be made in the same
 16 manner as a summons in a civil action in the superior court.

17 (b) The attorney general shall bring an action for forfeiture of an interest in
 18 agricultural land held in violation of AS 34.87.050 in the judicial district in which the
 19 agricultural land is located. The attorney general shall record in the recording district
 20 in which the agricultural land is located a certificate containing the caption and case
 21 number of the action and a description of the agricultural land. If the court finds that
 22 an interest in agricultural land in the state is acquired, owned, or held in violation of
 23 AS 34.87.050, the court may enter a judgment of forfeiture vesting title to the
 24 agricultural land in the state, subject to any outstanding liens. The attorney general
 25 shall record a certified copy of the court's judgment under this subsection in the
 26 recording district in which the agricultural land is located. The following apply to a
 27 forfeiture proceeding following the court's entering of a judgment of forfeiture under
 28 this section:

29 (1) the attorney general shall, if warranted, request the court to appoint
 30 a receiver to take over and manage the agricultural land before its sale;

31 (2) the attorney general, with the assistance of the Department of

1 Natural Resources, shall sell the land under AS 38.05;

2 (3) when the agricultural land is sold, the attorney general shall
3 disburse the proceeds of the sale to lienholders, in the order of priority determined by
4 the lienholders, except for liens that, under the terms of the judgment of forfeiture, are
5 to remain on the property;

6 (4) a lienholder may bid the lienholder's credit, in an amount that is not
7 more than the amount owed to the lienholder on the date of the sale, as determined by
8 the court in the judgment of forfeiture for the property; and

9 (5) no portion of the proceeds may be distributed to the person from
10 whom the agricultural land was forfeited, and all proceeds shall be deposited in the
11 general fund.

12 (c) A person may not be held civilly or criminally liable for failing to
13 determine or inquire whether another person is prohibited from acquiring or leasing
14 land under AS 34.87.050.

15 (d) Title to agricultural land may not be invalidated and agricultural land may
16 not be forfeited under this section because a prior owner or holder of the agricultural
17 land violated AS 34.87.040 or 34.87.050.

18 (e) A forfeiture under this section does not void, invalidate, or otherwise
19 extinguish any bona fide mortgage, lien, or other interest granted by, through, or under
20 the person from whom the land was forfeit.

21 **Sec. 34.87.090. Definitions.** In this chapter,

22 (1) "agricultural land" means land used for crop farming, timber
23 production, or pasture;

24 (2) "confined feeding operation" means the feeding of the following
25 animals in a confined space:

26 (A) at least 300 cattle;

27 (B) at least 600 swine or sheep;

28 (C) at least 30,000 fowl; or

29 (D) at least 500 horses;

30 (3) "crop farming" means the cultivation of land for the production of
31 plants or plant products that can be grown and harvested exclusively for profit or

1 subsistence;

2 (4) "foreign business entity" includes

3 (A) a corporation, professional corporation, nonprofit
4 corporation, limited liability company, partnership, limited partnership that is
5 organized under the laws of another country, or similar entity; and

6 (B) an agent, trustee, or fiduciary of the entity.

7 * **Sec. 2.** AS 45 is amended by adding a new chapter to read:

8 **Chapter 46. Critical Infrastructure Agreements.**

9 **Sec. 45.46.010. Restrictions on critical infrastructure agreements with**
10 **certain companies.** (a) A person, state agency, or political subdivision of the state
11 may not enter into an agreement relating to a critical infrastructure facility in the state
12 with a company if

13 (1) the company would be able to directly or remotely access or
14 control the facility or a cybersecurity system related to the facility under the
15 agreement; and

16 (2) the company is

17 (A) owned by, or the majority of stock or other ownership
18 interest of the company is held or controlled by

19 (i) persons who are citizens of The People's Republic of
20 China, the Islamic Republic of Iran, the Democratic People's Republic
21 of Korea, or the Russian Federation; or

22 (ii) a company or other entity, including a governmental
23 entity, that is owned or controlled by citizens of, or is directly
24 controlled by the government of, The People's Republic of China, the
25 Islamic Republic of Iran, the Democratic People's Republic of Korea,
26 or the Russian Federation; or

27 (B) headquartered in The People's Republic of China, the
28 Islamic Republic of Iran, the Democratic People's Republic of Korea, or the
29 Russian Federation.

30 (b) This section applies to a company regardless of whether

31 (1) the company's securities, or the securities of its parent company,

1 are publicly traded; or

2 (2) the company or the company's parent company is listed as a
3 Chinese, Iranian, North Korean, or Russian company on a public stock exchange.

4 (c) In this section,

5 (1) "company" means a person, other than an individual, organized for
6 business or profit-making purposes;

7 (2) "critical infrastructure facility"

8 (A) includes

9 (i) a facility used for manufacturing, mineral
10 exploration, steel making, refining, hazardous waste, transmission and
11 storage of electricity, water treatment, communications, transportation,
12 or the storage or transport of oil, gas, or other minerals;

13 (ii) a dam or reservoir regulated by the Department of
14 Natural Resources, port, railway, railroad switching yard, or trucking
15 terminal;

16 (iii) a facility used by the industry or a utility;

17 (iv) a facility whose owner or operator is required to
18 submit a risk management plan under 42 U.S.C. 7412(r) (Chemical
19 Safety Information, Site Security and Fuels Regulatory Relief Act) or
20 that is regulated under United States Department of Homeland Security
21 Chemical Facility Anti-Terrorism Standards; and

22 (v) a military installation;

23 (B) does not include

24 (i) land, an easement, or a right-of-way that is not
25 completely enclosed, posted, and maintained by an electric or natural
26 gas utility; or

27 (ii) a railroad track that is not part of a railroad
28 switching yard;

29 (3) "cybersecurity system" means a system designed to protect a
30 computer, computer network, computer system, or other technology infrastructure
31 against unauthorized use or access;

- 1 (4) "military installation" has the meaning given in AS 34.87.010(d).
- 2 * **Sec. 3.** This Act takes effect July 1, 2025.