

# ASSEMBLY, No. 5120

## STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JANUARY 26, 2023

**Sponsored by:**

**Assemblyman ALEX SAUICKIE**

**District 12 (Burlington, Middlesex, Monmouth and Ocean)**

**Assemblyman JOHN DIMAIO**

**District 23 (Hunterdon, Somerset and Warren)**

**SYNOPSIS**

Prohibits ownership of agricultural land in State by foreign governments and persons.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 1/26/2023)

A5120 SAUICKIE, DIMAIO

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1 AN ACT concerning the ownership of agricultural land in the State,  
2 and supplementing Title 4 of the Revised Statutes.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

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7 1. As used in this act:

8 "Agricultural land" means land devoted to agricultural use.

9 "Agricultural use" means the same as the term is defined in  
10 subsection b. of section 3 of P.L.1983, c.32 (C.4:1C-13).

11 "Department" means the Department of Agriculture.

12 "Foreign government" means any government other than the  
13 government of the United States or of its states, territories,  
14 possessions, or any political subdivision thereof. "Foreign  
15 government" includes an agent, trustee, or fiduciary thereof, acting  
16 for a foreign government.

17 "Foreign person" means any individual who is not a citizen of  
18 the United States and is a nonresident alien of the United States or  
19 one of its states, territories, or possessions; any corporation,  
20 partnership, association, or other legal entity created under the laws  
21 of a foreign government; or any corporation, partnership,  
22 association, or other legal entity, created under the laws of the  
23 United States or any of its political subdivisions, the majority of the  
24 ownership of which is directly or indirectly held, legally or  
25 beneficially, by one or more foreign governments, by one or more  
26 foreign persons, by one or more legal entities created under the laws  
27 of a foreign government, or by any combination thereof. "Foreign  
28 person" includes an agent, trustee, or fiduciary thereof, acting for a  
29 foreign person.

30 "Secretary" means the Secretary of Agriculture.

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32 2. a. Notwithstanding any law, rule, or regulation to the  
33 contrary, no foreign government or foreign person shall acquire,  
34 purchase, or otherwise obtain a legal, beneficial, or other interest in  
35 any agricultural land in the State on or after the effective date of  
36 this act.

37 b. Any foreign government or foreign person owning or holding  
38 an interest in agricultural land in the State upon the effective date of  
39 this act may continue to own or hold an interest therein for a  
40 maximum of five years after the effective date of this act, and shall  
41 not acquire, purchase, or otherwise obtain an interest in, any other  
42 agricultural land, in the State, on or after the effective date of this  
43 act, except:

44 (1) pursuant to a process of law involving the collection of debt  
45 the execution of a deed in lieu of foreclosure, the forfeiture of a  
46 contract for deed, or the imposition of a lien or claim on the land,  
47 whether created by a mortgage or otherwise, in which case, the  
48 provisions of subsection d. of this section shall apply; or

1 (2) by devise or descent, or through the establishment of a bona  
2 fide encumbrance on agricultural land taken for the purposes of  
3 security, in which case, the provisions of subsection f. of this  
4 section shall apply.

5 c. A foreign government or foreign person owning or holding an  
6 interest in agricultural land in the State upon the effective date of  
7 this act shall sell or otherwise convey the ownership of, or interest  
8 in, the agricultural land within five years after the effective date of  
9 this act, with a deed of easement attached to the land requiring the  
10 land to remain devoted to agricultural use. The land or interest  
11 therein shall be sold or conveyed to an individual, trust,  
12 corporation, partnership, or other business entity that is not a  
13 foreign government or foreign person subject to the provisions of  
14 this act.

15 d. (1) Agricultural land that is acquired by a foreign  
16 government or foreign person, on or after the effective date of this  
17 act, pursuant to the exception established in paragraph (1) of  
18 subsection b. of this section, shall be sold or conveyed, by the  
19 foreign owner thereof, within two years after title to the land is  
20 transferred thereto. Upon such sale or conveyance of the land, a  
21 deed of easement shall be attached to the land requiring the land to  
22 remain devoted to agricultural use.

23 (2) Whenever a land assessment valuation is undertaken in  
24 association with a foreign government or person's acquisition of  
25 agricultural land, pursuant to paragraph (1) of subsection b. of this  
26 section, the valuation of the land shall incorporate and reflect the  
27 requirement that the land is to remain devoted to agricultural use.

28 (3) Land sold or conveyed pursuant to this subsection shall be  
29 sold or conveyed to an individual, trust, corporation, partnership, or  
30 other business entity that is not a foreign government or foreign  
31 person subject to the provisions of this act.

32 e. A foreign government or foreign person shall not transfer title  
33 or interest in agricultural land to another foreign government or  
34 foreign person, except by devise or descent, as authorized pursuant  
35 to paragraph (2) of subsection b. of this section.

36 f. Subsection a. of this section shall not apply to agricultural  
37 land that is acquired, by a foreign government or foreign person,  
38 pursuant to paragraph (2) of subsection b. of this section, through  
39 devise or descent or the establishment of a bona fide encumbrance  
40 on agricultural land taken for the purposes of security, including  
41 land for which title has been transferred, pursuant to subsection e.  
42 of this section, from one foreign government or foreign person to  
43 another.

44 g. Any provision of this section that is inconsistent with, or in  
45 violation of, any treaty between the United States and another  
46 country shall not apply to the foreign government or a foreign  
47 person of the country that is party to such treaty.

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49 3. This act shall take effect immediately.

STATEMENT

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This bill would prohibit any foreign government or foreign person from acquiring, purchasing, or otherwise obtaining a legal, beneficial, or other interest in any agricultural land in the State on or after the bill's effective date, with limited exceptions, as described below.

The bill would permit a foreign government or foreign person that already owns or holds an interest in agricultural land in the State, on the bill's effective date, to continue to own or hold the interest in such land for a maximum of five years thereafter. Within five years after the bill's effective date, the foreign government or foreign person would be required to sell or otherwise convey the ownership of, or interest in, the agricultural land to an individual, trust, corporation, partnership, or other business entity that is not a foreign government or foreign person, with a deed of easement attached to the land requiring the land to remain devoted to agricultural use.

The bill would provide the following exceptions to the general prohibition on the continued foreign ownership of agricultural land:

1) a foreign government or foreign person may acquire agricultural land, on or after the bill's effective date, through a process of law involving the collection of debt, the execution of a deed in lieu of foreclosure, the forfeiture of a contract for deed, or the imposition of a lien or claim on the land, whether by mortgage or otherwise, but such person or government would then be required to sell or convey the land, within two years after the transfer of title thereto, to an individual, trust, corporation, partnership, or other business entity that is not a foreign government or foreign person, with a deed of easement attached to the land requiring the land to remain devoted to agricultural use; and

2) the provisions of the bill would not be applicable to agricultural land acquired by devise or descent or pursuant to a bona fide encumbrance established on agricultural land taken for the purposes of security.

The bill further provides that, whenever a land assessment valuation is undertaken in association with a foreign government or person's acquisition of land pursuant to a process of law involving the collection of debt, the execution of a deed in lieu of foreclosure, the forfeiture of a contract for deed, or the imposition of a lien or claim on the land, whether created by a mortgage or otherwise, the valuation is to incorporate and reflect the fact that the land is to remain devoted to agricultural use.

Finally, the bill provides that any provision thereof which is inconsistent with, or in violation of, any treaty between the United States and another country would not apply to any foreign government or foreign person residing in a country that is party to the treaty.

**A5120 SAUICKIE, DIMAIO**

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1       This bill establishes prohibitions on foreign ownership of  
2 agricultural land similar to those established in Iowa law and  
3 provisions in other state laws that restrict foreign ownership of  
4 agricultural land. Nine states have laws restricting foreign  
5 ownership of agricultural land: Iowa, Kansas, Missouri, Minnesota,  
6 Nebraska, North Dakota, Oklahoma, South Dakota, and Wisconsin.  
7 Iowa has imposed restrictions on the foreign ownership of land  
8 since the 19th century. Since the 1970s when Iowa's law became a  
9 near-complete ban on foreign ownership, Iowa's law is regarded as  
10 one of the strictest in the nation.