

118TH CONGRESS  
1ST SESSION

# H. R. 6469

To amend the Agricultural Foreign Investment Disclosure Act of 1978 to remove the limitation on the amount of a civil penalty, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 21, 2023

Ms. PEREZ (for herself, Mr. MOOLENAAR, and Mr. JOHNSON of South Dakota) introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To amend the Agricultural Foreign Investment Disclosure Act of 1978 to remove the limitation on the amount of a civil penalty, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Farmland Security Act  
5 of 2023”.

1 **SEC. 2. IMPROVING AGRICULTURAL FOREIGN INVESTMENT**

2 **DISCLOSURE.**

3 (a) CIVIL PENALTY.—Section 3 of the Agricultural  
4 Foreign Investment Disclosure Act of 1978 (7 U.S.C.  
5 3502) is amended—

6 (1) in subsection (a), by striking the second  
7 sentence;

8 (2) in subsection (b)—

9 (A) by striking “The amount” and insert-  
10 ing “Except as provided in subsection (c), the  
11 amount”; and

12 (B) by striking “Act,” and all that follows  
13 through the period at the end and inserting  
14 “Act.”; and

15 (3) by adding at the end the following:

16 “(c) PENALTY FOR SHELL CORPORATIONS.—

17 “(1) DEFINITION OF SHELL CORPORATION.—In  
18 this subsection, the term ‘shell corporation’ means a  
19 corporation, company, association, firm, partnership,  
20 society, joint stock company, trust, estate, or any  
21 other legal entity that has no or nominal operations.

22 “(2) AMOUNT OF PENALTY.—The amount of a  
23 civil penalty under subsection (a) for a foreign-  
24 owned shell corporation, as determined by the Sec-  
25 retary, shall be 100 percent of the fair market value,  
26 on the date of the assessment of the penalty, of the

1 interest in agricultural land with respect to which  
2 the violation occurred.

3 “(3) NONAPPLICATION OF PENALTY.—A shell  
4 corporation shall not be subject to a civil penalty  
5 under this section if the shell corporation remedies  
6 a defective filing or failure to file not later than 60  
7 days after the Secretary provides notice to the shell  
8 corporation of the defective filing or failure to file.”.

9 (b) INVESTIGATIVE ACTIONS.—Section 4 of the Agri-  
10 cultural Foreign Investment Disclosure Act of 1978 (7  
11 U.S.C. 3503) is amended—

12 (1) by striking “The Secretary” and inserting  
13 the following:

14 “(a) IN GENERAL.—The Secretary”; and

15 (2) by adding at the end the following:

16 “(b) AUDIT.—The Secretary shall conduct an annual  
17 compliance audit of not less than 10 percent of the reports  
18 submitted under section 2 for the year covered by the  
19 audit to ensure the completeness and accuracy of reports  
20 submitted under that section. In conducting, such audit,  
21 the Secretary may consult with such other heads of such  
22 other Federal agencies as the Secretary determines appro-  
23 priate.

1       “(c) TRAINING.—The Secretary shall provide annual  
2 training to State and county-level personnel relating to  
3 identifying agricultural land for which—

4               “(1) a report is required to be submitted under  
5 section 2; but

6               “(2) no report has been submitted by the appli-  
7 cable foreign person.”.

8       (c) REPORTS.—Section 6 of the Agricultural Foreign  
9 Investment Disclosure Act of 1978 (7 U.S.C. 3505) is  
10 amended—

11               (1) by striking the section designation and  
12 heading and all that follows through “Not later  
13 than” and inserting the following:

14 **“SEC. 6. REPORTS.**

15               “(a) TO STATES.—Not later than”; and

16               (2) by adding at the end the following:

17               “(b) TO CONGRESS.—

18                       “(1) IN GENERAL.—Not later than 180 days  
19 after the date of enactment of the Farmland Secu-  
20 rity Act of 2023, and annually thereafter, the Sec-  
21 retary shall submit to Congress a report describing  
22 the results of the research carried out under para-  
23 graph (2).

24                       “(2) RESEARCH.—The Secretary shall carry out  
25 research on—

1           “(A) the agricultural leasing activities in  
2           the United States of foreign persons, including  
3           the impact of those activities on family farms,  
4           rural communities, and the domestic food sup-  
5           ply;

6           “(B) trends relating to the purchase of ag-  
7           ricultural land in the United States by foreign-  
8           owned shell corporations; and

9           “(C) foreign ownership of agricultural pro-  
10          duction capacity and foreign participation in  
11          agricultural economic activity in the United  
12          States.”.

13          (d) **AUTHORIZATION OF APPROPRIATIONS.**—The Ag-  
14          ricultural Foreign Investment Disclosure Act of 1978 (7  
15          U.S.C. 3501 et seq.) is amended by adding at the end  
16          the following:

17          **“SEC. 11. AUTHORIZATION OF APPROPRIATIONS.**

18          “There is authorized to be appropriated to the Sec-  
19          retary to carry out this Act \$2,000,000 for each of fiscal  
20          years 2023 through 2028.”.

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