

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0597.01 Sarah Lozano x3858

HOUSE BILL 24-1029

HOUSE SPONSORSHIP

Bradley,

SENATE SPONSORSHIP

(None),

House Committees

State, Civic, Military, & Veterans Affairs

Senate Committees

A BILL FOR AN ACT

101 CONCERNING PROHIBITING THE OWNERSHIP OF CERTAIN PROPERTY
102 INTERESTS BY COVERED FOREIGN PERSONS THAT ARE NOT
103 LOCATED IN THE UNITED STATES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill prohibits, on or after January 1, 2025, a nonresident foreign citizen, foreign entity, or foreign government of the People's Republic of China, the Russian Federation, or any country determined by the United States secretary of state to be a state sponsor of terrorism (covered foreign person) from acquiring a controlling ownership share in agricultural land, mineral rights, or water rights (property interest) in the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

state (prohibition). A covered foreign person who acquires a controlling ownership share in a property interest in the state prior to January 1, 2025, may continue to own the property interest but may not acquire a controlling ownership share in any additional property interests in the state.

No later than March 1, 2025, or 60 days after acquiring any ownership in a property interest in the state, whichever is later, a covered foreign person must register with the Colorado secretary of state (registration requirement), who is authorized to promulgate rules to implement the registration requirement.

If the attorney general has reason to believe that a covered foreign person has violated the prohibition or has not complied with the registration requirement, the attorney general must commence a civil action against the covered foreign person in a district court. If a district court finds that the covered foreign person has violated the prohibition, the district court must issue a judgment reverting the property interest to the state. If the district court finds that the covered person has not complied with the registration requirement, the district court must impose a penalty of no more than \$2,000 for each violation.

The prohibition does not apply to a refugee who is a covered foreign person and acquires a controlling ownership share in real property used for the purposes of agriculture with prior approval of the acquisition by the Colorado secretary of state.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 38-30-174 as
3 follows:

4 **38-30-174. Prohibition on certain foreign ownership of**
5 **agricultural or natural resource property interests - registration -**
6 **enforcement - exemption - rules - definitions.** (1) **Definitions.** AS USED
7 IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

8 (a) "ACQUIRE" OR "ACQUISITION" MEANS TO OBTAIN A PROPERTY
9 INTEREST BY PURCHASE, GIFT, TRANSFER, ASSIGNMENT, OPTION, BEQUEST,
10 DEVISE, OR ANY OTHER METHOD.

11 (b) "AGRICULTURAL OR NATURAL RESOURCE PROPERTY INTEREST"
12 OR "PROPERTY INTEREST" MEANS A PROPERTY INTEREST OR ANY PORTION

1 OF A PROPERTY INTEREST IN ANY:

2 (I) REAL PROPERTY USED FOR THE PURPOSES OF AGRICULTURE;

3 (II) RIGHT TO MINE MINERALS OR EXTRACT OIL AND GAS; OR

4 (III) WATER RIGHT.

5 (c) "AGRICULTURE" HAS THE MEANING SET FORTH IN SECTION
6 35-1-102 (1).

7 (d) (I) "CONTROLLING OWNERSHIP SHARE" MEANS AN OWNERSHIP
8 SHARE OF MORE THAN FIFTY PERCENT.

9 (II) "CONTROLLING OWNERSHIP SHARE" INCLUDES A COMBINED
10 OWNERSHIP SHARE OF MORE THAN ONE COVERED FOREIGN PERSON FROM
11 THE SAME COVERED FOREIGN COUNTRY THAT AMOUNTS TO AN OWNERSHIP
12 SHARE OF MORE THAN FIFTY PERCENT.

13 (e) "COVERED FOREIGN COUNTRY" MEANS THE PEOPLE'S REPUBLIC
14 OF CHINA, THE RUSSIAN FEDERATION, OR ANY COUNTRY THAT IS ON THE
15 LIST OF STATE SPONSORS OF TERRORISM.

16 (f) "COVERED FOREIGN ENTITY" MEANS ANY ENTITY:

17 (I) FORMED UNDER THE LAWS OF A COVERED FOREIGN COUNTRY;

18 OR

19 (II) WITH A CONTROLLING OWNERSHIP SHARE OWNED BY:

20 (A) ONE OR MORE COVERED NONRESIDENT FOREIGN PERSONS; OR

21 (B) ONE OR MORE ENTITIES FORMED UNDER THE LAWS OF A
22 COVERED FOREIGN COUNTRY.

23 (g) "COVERED FOREIGN GOVERNMENT" MEANS A GOVERNMENT OF
24 A COVERED FOREIGN COUNTRY.

25 (h) "COVERED FOREIGN PERSON" MEANS A:

26 (I) COVERED NONRESIDENT FOREIGN PERSON;

27 (II) COVERED FOREIGN ENTITY; OR

1 (III) COVERED FOREIGN GOVERNMENT.

2 (i) "COVERED NONRESIDENT FOREIGN PERSON" MEANS ANY
3 PERSON WHO IS:

4 (I) A CITIZEN OF A COVERED FOREIGN COUNTRY; AND

5 (II) NOT DOMICILED IN THE UNITED STATES.

6 (j) "LIST OF STATE SPONSORS OF TERRORISM" MEANS THE LIST OF
7 COUNTRIES THAT HAVE BEEN DETERMINED BY THE UNITED STATES
8 SECRETARY OF STATE TO BE STATE SPONSORS OF TERRORISM PURSUANT TO
9 THE "JOHN S. MCCAIN NATIONAL DEFENSE AUTHORIZATION ACT FOR
10 FISCAL YEAR 2019", 50 U.S.C. SEC. 4813 (c); THE "ARMS EXPORT
11 CONTROL ACT", 22 U.S.C. SEC. 2780; AND THE "FOREIGN ASSISTANCE
12 ACT OF 1961", U.S.C. SEC. 2371.

13 (k) "WATER RIGHT" HAS THE MEANING SET FORTH IN SECTION
14 37-92-103 (12).

15 (2) **Prohibition.** (a) EXCEPT AS DESCRIBED IN SUBSECTION (2)(b)
16 OF THIS SECTION, ON OR AFTER JANUARY 1, 2025, A COVERED FOREIGN
17 PERSON SHALL NOT ACQUIRE A CONTROLLING OWNERSHIP SHARE IN AN
18 AGRICULTURAL OR NATURAL RESOURCE PROPERTY INTEREST IN THE
19 STATE.

20 (b) (I) A COVERED FOREIGN PERSON THAT ACQUIRES A
21 CONTROLLING OWNERSHIP SHARE IN AN AGRICULTURAL OR NATURAL
22 RESOURCE PROPERTY INTEREST IN THE STATE PRIOR TO JANUARY 1, 2025,
23 MAY CONTINUE TO OWN THE PROPERTY INTEREST BUT SHALL NOT ACQUIRE
24 A CONTROLLING OWNERSHIP SHARE IN ANY ADDITIONAL PROPERTY
25 INTERESTS IN THE STATE ON OR AFTER JANUARY 1, 2025.

26 (II) THE PROHIBITION DESCRIBED IN SUBSECTION (2)(a) OF THIS
27 SECTION DOES NOT APPLY TO THE FOLLOWING:

1 (A) AN AGRICULTURAL OR NATURAL RESOURCE PROPERTY
2 INTEREST ACQUIRED BY DEVISE OR DESCENT;

3 (B) AN AGRICULTURAL OR NATURAL RESOURCE PROPERTY
4 INTEREST ACQUIRED BY ANY PROCEDURE FOR THE ENFORCEMENT OF A
5 LIEN OR ENCUMBRANCE ON THE PROPERTY INTEREST, WHETHER CREATED
6 BY MORTGAGE OR OTHERWISE; OR

7 (C) A LIEN OR ENCUMBRANCE ON AN AGRICULTURAL OR NATURAL
8 RESOURCE PROPERTY INTEREST TAKEN AS A SECURITY INTEREST.

9 (III) IF A COVERED FOREIGN PERSON ACQUIRES A CONTROLLING
10 OWNERSHIP SHARE IN AN AGRICULTURAL OR NATURAL RESOURCE
11 PROPERTY INTEREST IN THE STATE AS DESCRIBED IN SUBSECTION
12 (2)(b)(II)(A) OR (2)(b)(II)(B) OF THIS SECTION ON OR AFTER JANUARY 1,
13 2025, THE COVERED FOREIGN PERSON SHALL SELL OR OTHERWISE DISPOSE
14 OF THE PROPERTY INTEREST, SO THAT THE COVERED FOREIGN PERSON IS NO
15 LONGER A CONTROLLING OWNER OF THE PROPERTY INTEREST, NO LATER
16 THAN TWO YEARS AFTER ACQUIRING THE PROPERTY INTEREST.

17 (IV) IF A PERSON ACQUIRES A CONTROLLING OWNERSHIP SHARE IN
18 AN AGRICULTURAL OR NATURAL RESOURCE PROPERTY INTEREST IN THE
19 STATE ON OR AFTER JANUARY 1, 2025, AND LATER BECOMES A COVERED
20 FOREIGN PERSON, THE COVERED FOREIGN PERSON SHALL SELL OR
21 OTHERWISE DISPOSE OF THE PROPERTY INTEREST, SO THAT THE COVERED
22 FOREIGN PERSON IS NO LONGER A CONTROLLING OWNER OF THE PROPERTY
23 INTEREST, NO LATER THAN TWO YEARS AFTER THE COVERED FOREIGN
24 PERSON'S CHANGE IN STATUS. IF A PERSON BECOMES A COVERED FOREIGN
25 PERSON ON OR AFTER JANUARY 1, 2025, BECAUSE THE UNITED STATES
26 SECRETARY OF STATE HAS ADDED A NEW COUNTRY TO THE LIST OF STATE
27 SPONSORS OF TERRORISM, THE COVERED FOREIGN PERSON'S CHANGE IN

1 STATUS OCCURS ON THE EFFECTIVE DATE OF THE UNITED STATES
2 SECRETARY OF STATE'S ADDITION OF THE COUNTRY TO THE LIST.

3 (3) **Registration - rules.** (a) NO LATER THAN MARCH 1, 2025, OR
4 SIXTY DAYS AFTER ACQUIRING ANY OWNERSHIP IN AN AGRICULTURAL OR
5 NATURAL RESOURCE PROPERTY INTEREST IN THE STATE, WHICHEVER IS
6 LATER, A COVERED FOREIGN PERSON THAT OWNS AN OWNERSHIP SHARE IN
7 AN AGRICULTURAL OR NATURAL RESOURCE PROPERTY INTEREST SHALL
8 REGISTER WITH THE SECRETARY OF STATE. THE REGISTRATION MUST BE IN
9 THE FORM AND MANNER PRESCRIBED BY THE SECRETARY OF STATE.

10 (b) THE SECRETARY OF STATE MAY PROMULGATE RULES AS
11 NECESSARY FOR THE IMPLEMENTATION OF SUBSECTION (3)(a) OF THIS
12 SECTION.

13 (4) **Enforcement.** (a) IF THE ATTORNEY GENERAL HAS REASON TO
14 BELIEVE THAT A VIOLATION OF SUBSECTION (2) OR (3)(a) OF THIS SECTION
15 HAS OCCURRED, THE ATTORNEY GENERAL SHALL COMMENCE A CIVIL
16 ACTION AGAINST THE COVERED FOREIGN PERSON IN THE DISTRICT COURT
17 WHERE:

18 (I) ANY PORTION OF THE APPLICABLE AGRICULTURAL OR NATURAL
19 RESOURCE PROPERTY INTEREST IS LOCATED; OR

20 (II) THE COMPLAINANT, IF ANY, RESIDES.

21 (b) (I) IF A DISTRICT COURT FINDS THAT THE APPLICABLE
22 AGRICULTURAL OR NATURAL RESOURCE PROPERTY INTEREST WAS
23 ACQUIRED IN VIOLATION OF SUBSECTION (2)(a) OF THIS SECTION, THE
24 PROPERTY INTEREST, IN ITS ENTIRETY, REVERTS TO THE STATE UPON THE
25 EFFECTIVE DATE OF THE DISTRICT COURT'S FINDING, AND THE DISTRICT
26 COURT SHALL:

27 (A) ISSUE A JUDGMENT STATING THAT THE PROPERTY INTEREST IS

1 REVERTED TO THE STATE; AND

2 (B) PROMPTLY SEND A COPY OF THE JUDGMENT TO THE STATE
3 TREASURER.

4 (II) THE STATE TREASURER SHALL SELL ANY PROPERTY INTEREST
5 REVERTED TO THE STATE PURSUANT TO THIS SUBSECTION (4)(b) IN
6 ACCORDANCE WITH SECTION 38-13-701.

7 (III) (A) THE STATE TREASURER SHALL, WHERE PERMITTED BY
8 APPLICABLE LAW, PAY THE PROCEEDS OF THE SALE DESCRIBED IN
9 SUBSECTION (4)(b)(II) OF THIS SECTION TO THE COVERED FOREIGN PERSON
10 DIVESTED OF THE PROPERTY INTEREST AFTER, FIRST, DEDUCTING ANY
11 REASONABLE COSTS INCURRED BY THE STATE TO LITIGATE THE CIVIL
12 ACTION AND CONDUCT THE SALE AND, SECOND, DEDUCTING THE COSTS
13 INCURRED BY THE STATE TO PAY ANY UNPAID LIENS OR ENCUMBRANCES
14 ASSOCIATED WITH THE PROPERTY INTEREST.

15 (B) THE STATE TREASURER SHALL TRANSMIT ANY REMAINING
16 PROCEEDS OF THE SALE TO THE COUNTY TREASURER OF THE COUNTY
17 WHERE THE APPLICABLE PROPERTY INTEREST IS LOCATED. IF THE
18 PROPERTY INTEREST IS LOCATED IN MORE THAN ONE COUNTY, THE STATE
19 TREASURER SHALL TRANSMIT THE REMAINING PROCEEDS TO THE
20 APPLICABLE COUNTY TREASURERS IN PROPORTION TO THE PORTION OF THE
21 PROPERTY INTEREST LOCATED IN EACH COUNTY.

22 (c) (I) IF A DISTRICT COURT FINDS THAT A COVERED FOREIGN
23 PERSON FAILED TO REGISTER WITH THE SECRETARY OF STATE IN
24 ACCORDANCE WITH SUBSECTION (3)(a) OF THIS SECTION, THE DISTRICT
25 COURT SHALL IMPOSE A PENALTY OF NO MORE THAN TWO THOUSAND
26 DOLLARS FOR EACH VIOLATION.

27 (II) THE DISTRICT COURT SHALL TRANSMIT ALL PENALTIES

1 COLLECTED UNDER THIS SECTION TO THE STATE TREASURER, WHO SHALL
2 CREDIT THE MONEY TO THE GENERAL FUND.

3 (5) **Exemption for refugees for real property used for**
4 **agriculture.** NOTWITHSTANDING SUBSECTION (2) OF THIS SECTION, A
5 REFUGEE WHO IS A COVERED FOREIGN PERSON MAY ACQUIRE A
6 CONTROLLING OWNERSHIP SHARE IN REAL PROPERTY USED FOR THE
7 PURPOSES OF AGRICULTURE WITH PRIOR APPROVAL OF THE ACQUISITION
8 BY THE SECRETARY OF STATE.

9 **SECTION 2. Act subject to petition - effective date.** This act
10 takes effect at 12:01 a.m. on the day following the expiration of the
11 ninety-day period after final adjournment of the general assembly; except
12 that, if a referendum petition is filed pursuant to section 1 (3) of article V
13 of the state constitution against this act or an item, section, or part of this
14 act within such period, then the act, item, section, or part will not take
15 effect unless approved by the people at the general election to be held in
16 November 2024 and, in such case, will take effect on the date of the
17 official declaration of the vote thereon by the governor.