Protecting America's Agricultural Land from Foreign Harm Act of 2025

Senator Tommy Tuberville (R-AL) and Senator Jim Banks (R-IN)

Bill Summary:

- Restricts foreign ownership of U.S. agricultural land, forests, and timberland by Iran, North Korea, China, and Russia,
- Prohibits participation in certain USDA programs,
- Closes loopholes to ensure adequate reporting of foreign owned U.S. agricultural land.
- Establishes a federal tax lien if a violation occurs and amend civil penalties,
- Establishes more in-depth public data sets through online database,
- Requires USDA, DNI, and GAO to submit individual reports to Congress.

Section 2. Definitions:

- The bill uses the same definition of agricultural land that is found in AFIDA, which includes land used for agricultural, forestry or timber production.
- Definition of "covered persons" means a person owned, controlled by or subject to the jurisdiction of Iran, North Korea, China, and Russia. But this does not include U.S. citizens or lawfully admitted aliens that have been granted permanent U.S. residence.

<u>Section 3. Prohibition on Purchase and lease of Agricultural Land in the United States</u> <u>by Persons Associated with Certain Foreign Governments:</u>

- Permits the President to take necessary actions to prohibit the purchase or lease by covered persons of public and private agricultural land in the U.S. using sections 203 and 205 of the *International Emergency Economic Powers* (IEEPA) *Act* (for national security threats).
- Violations by covered persons (from Iran, North Korea, China, Russia) will receive civil penalties for unlawful acts and/or criminal penalties as defined in Sec. 206(b) and Sec. 206(c) of IEEPA.
 - Civil: amounts not to exceed the greater of \$250,000 or 2x transaction amount.
 - o Criminal: fines of up to \$1 million, up to 20 years in prison, or both.
- This section will not prohibit or affect the following:
 - o Purchase or lease of agricultural land by any other person or entity.
 - Use of public of private agricultural land that is transferred to or acquired by a non-covered person from a covered person,
 - Will not require a covered person to sell land that they already own, prior to the date of enactment.

<u>Section 4. Prohibition on Participation in Department of Agriculture Programs by Persons Associated with Certain Foreign Governments:</u>

- Authorizes the President to prohibit participation by "covered persons" leasing or owning ag land in the U.S. from many United States Department of Agriculture (USDA) programs. Exceptions for:
 - o food inspection and food safety.,
 - o health and labor safety,
 - o Farm Service Agency (FSA) programs related to AFIDA.
 - To qualify as an exception and participate in USDA programs, the covered person must provide proof of U.S. citizenship.

<u>Section 5. Agricultural Foreign Investment Disclosure:</u>

- Closes the loophole which allows "security interests" to acquire, sell, or transfer U.S. land. This will prevent unintended misrepresentation by foreign investors when acquiring agricultural land.
- Changes the civil penalties for violating AFIDA disclosure requirements.
 - Currently, penalties cannot exceed 25% of the fair market value of the interest in ag land where the violation occurred. This bill changes the fines to between 15% - 30% of the fair market value of the land when the penalty was assessed.
- Places a federal tax lien on land where violation occurred until the penalty is fully paid.
- Purpose of these increased penalties is to weed out bad actors, prevent malign influence, and ensure violators can no longer take advantage of an overlooked system.
- Public data sets: USDA currently releases an annual report on foreign holdings of agricultural land, but these reports do not provide the most up-to-date information.
 - Builds upon the internet database that is currently set to be established (by March 2026) through the enactment of section 742 of the <u>FY24 Approps bill</u> (Public Law 118-42).
 - All data related to AFIDA reporting to be implemented in the public data sets and future reporting uploaded into online database, to the extent possible, within 30 days after the date of receipt.
 - Included data: purchase price of ag land, estimated values of each interest, descriptions of foreign person.
- Expands definition of a "foreign person" to include any person, other than a government, that issues equity securities that are primarily traded on a foreign securities exchange within Iran, North Korea, China, or Russia.

Section 6: Reports:

- Requires the Director of National Intelligence (DNI) and USDA to conduct their own individual reports to Congress (one year after the date of enactment, and every two years thereafter).
- Requires the Government Accountability Office (GAO) to provide a report to Congress within one year of enactment on the functionality of AFIDA and recommendations for possible changes to the AFIDA structure.