

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 23-0762.01 Sarah Lozano x3858

HOUSE BILL 23-1152

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, 2024, 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

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.*

agricultural land, mineral rights, or water rights (property interest) in the state (prohibition). A covered foreign person who acquires a controlling ownership share in a property interest in the state prior to January 1, 2024, 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, 2024, 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 secretary of state (registration requirement). The secretary of state 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.

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 - definitions - rules. (1) Definitions.** AS USED IN THIS
7 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

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

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

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

1 (II) RIGHT TO MINE MINERALS OR EXTRACT OIL AND GAS; OR
2 (III) WATER RIGHT.
3 (c) "AGRICULTURE" HAS THE MEANING SET FORTH IN SECTION
4 35-1-102 (1).
5 (d) (I) "CONTROLLING OWNERSHIP SHARE" MEANS AN OWNERSHIP
6 SHARE OF MORE THAN FIFTY PERCENT.
7 (II) "CONTROLLING OWNERSHIP SHARE" INCLUDES A COMBINED
8 OWNERSHIP SHARE OF MORE THAN ONE COVERED FOREIGN PERSON FROM
9 THE SAME COVERED FOREIGN COUNTRY THAT AMOUNTS TO AN OWNERSHIP
10 SHARE OF MORE THAN FIFTY PERCENT.
11 (e) "COVERED FOREIGN COUNTRY" MEANS THE PEOPLE'S REPUBLIC
12 OF CHINA, THE RUSSIAN FEDERATION, OR ANY COUNTRY THAT IS ON THE
13 LIST OF STATE SPONSORS OF TERRORISM.
14 (f) "COVERED FOREIGN ENTITY" MEANS ANY ENTITY:
15 (I) FORMED UNDER THE LAWS OF A COVERED FOREIGN COUNTRY;
16 OR
17 (II) WITH A CONTROLLING OWNERSHIP SHARE OWNED BY:
18 (A) ONE OR MORE COVERED NONRESIDENT FOREIGN PERSONS; OR
19 (B) ONE OR MORE ENTITIES FORMED UNDER THE LAWS OF A
20 COVERED FOREIGN COUNTRY.
21 (g) "COVERED FOREIGN GOVERNMENT" MEANS A GOVERNMENT OF
22 A COVERED FOREIGN COUNTRY.
23 (h) "COVERED FOREIGN PERSON" MEANS A:
24 (I) COVERED NONRESIDENT FOREIGN PERSON;
25 (II) COVERED FOREIGN ENTITY; OR
26 (III) COVERED FOREIGN GOVERNMENT.
27 (i) "COVERED NONRESIDENT FOREIGN PERSON" MEANS ANY

1 PERSON WHO IS:

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

3 (II) NOT DOMICILED IN THE UNITED STATES.

4 (j) "LIST OF STATE SPONSORS OF TERRORISM" MEANS THE LIST OF
5 COUNTRIES THAT HAVE BEEN DETERMINED BY THE UNITED STATES
6 SECRETARY OF STATE TO BE STATE SPONSORS OF TERRORISM PURSUANT TO
7 SECTION 1754(c) OF THE "JOHN S. MCCAIN NATIONAL DEFENSE
8 AUTHORIZATION ACT FOR FISCAL YEAR 2019", PUB.L. 115-232, 50 U.S.C.
9 4813 SEC. 1754 (c); THE "ARMS EXPORT CONTROL ACT", 22 U.S.C. SEC.
10 2780; AND THE "FOREIGN ASSISTANCE ACT OF 1961", U.S.C. 2371.

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

13 (2) **Prohibition.** (a) EXCEPT AS DESCRIBED IN SUBSECTION (2)(b)
14 OF THIS SECTION, ON AND AFTER JANUARY 1, 2024, A COVERED FOREIGN
15 PERSON SHALL NOT ACQUIRE A CONTROLLING OWNERSHIP SHARE IN AN
16 AGRICULTURAL OR NATURAL RESOURCE PROPERTY INTEREST IN THE
17 STATE.

18 (b) (I) A COVERED FOREIGN PERSON THAT ACQUIRES A
19 CONTROLLING OWNERSHIP SHARE IN AN AGRICULTURAL OR NATURAL
20 RESOURCE PROPERTY INTEREST IN THE STATE PRIOR TO JANUARY 1, 2024,
21 MAY CONTINUE TO OWN THE PROPERTY INTEREST BUT SHALL NOT ACQUIRE
22 ANY CONTROLLING OWNERSHIP SHARE IN ANY ADDITIONAL PROPERTY
23 INTERESTS IN THE STATE ON OR AFTER JANUARY 1, 2024.

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

26 (A) AN AGRICULTURAL OR NATURAL RESOURCE PROPERTY
27 INTEREST ACQUIRED BY DEVISE OR DESCENT;

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

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

7 (III) IF A COVERED FOREIGN PERSON ACQUIRES A CONTROLLING
8 OWNERSHIP SHARE IN AN AGRICULTURAL OR NATURAL RESOURCE
9 PROPERTY INTEREST IN THE STATE AS DESCRIBED IN SUBSECTION
10 (2)(b)(II)(A) OR (2)(b)(II)(B) OF THIS SECTION ON OR AFTER JANUARY 1,
11 2024, THE COVERED FOREIGN PERSON SHALL SELL OR OTHERWISE DISPOSE
12 OF THE PROPERTY INTEREST, SO THAT THE COVERED FOREIGN PERSON IS NO
13 LONGER A CONTROLLING OWNER OF THE PROPERTY INTEREST, NO LATER
14 THAN TWO YEARS AFTER ACQUIRING THE PROPERTY INTEREST.

15 (IV) IF A PERSON ACQUIRES A CONTROLLING OWNERSHIP SHARE IN
16 AN AGRICULTURAL OR NATURAL RESOURCE PROPERTY INTEREST IN THE
17 STATE ON OR AFTER JANUARY 1, 2024, AND LATER BECOMES A COVERED
18 FOREIGN PERSON, THE COVERED FOREIGN PERSON SHALL SELL OR
19 OTHERWISE DISPOSE OF THE PROPERTY INTEREST, SO THAT THE COVERED
20 FOREIGN PERSON IS NO LONGER A CONTROLLING OWNER OF THE PROPERTY
21 INTEREST, NO LATER THAN TWO YEARS AFTER THE COVERED FOREIGN
22 PERSON'S CHANGE IN STATUS. IF A PERSON BECOMES A COVERED FOREIGN
23 PERSON ON OR AFTER JANUARY 1, 2024, BECAUSE THE UNITED STATES
24 SECRETARY OF STATE HAS ADDED A NEW COUNTRY TO THE LIST OF STATE
25 SPONSORS OF TERRORISM, THE COVERED FOREIGN PERSON'S CHANGE IN
26 STATUS OCCURS ON THE EFFECTIVE DATE OF THE UNITED STATES
27 SECRETARY OF STATE'S ADDITION OF THE COUNTRY TO THE LIST.

1 **(3) Registration.** (a) NO LATER THAN MARCH 1, 2024, OR SIXTY
2 DAYS AFTER ACQUIRING ANY OWNERSHIP IN AN AGRICULTURAL OR
3 NATURAL RESOURCE PROPERTY INTEREST IN THE STATE, WHICHEVER IS
4 LATER, A COVERED FOREIGN PERSON THAT OWNS AN OWNERSHIP SHARE IN
5 AN AGRICULTURAL OR NATURAL RESOURCE PROPERTY INTEREST SHALL
6 REGISTER WITH THE SECRETARY OF STATE. THE REGISTRATION MUST BE IN
7 THE FORM AND MANNER PRESCRIBED BY THE SECRETARY OF STATE.

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

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

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

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

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

25 (A) ISSUE A JUDGMENT STATING THAT THE PROPERTY INTEREST IS
26 REVERTED TO THE STATE; AND

27 (B) PROMPTLY SEND A COPY OF THE JUDGMENT TO THE STATE

1 TREASURER.

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

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

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

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

25 (II) THE DISTRICT COURT SHALL TRANSMIT ALL PENALTIES
26 COLLECTED UNDER THIS SECTION TO THE STATE TREASURER, WHO SHALL
27 CREDIT THE MONEY TO THE GENERAL FUND.

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