

MEMORANDUM

To: Senate Committee on Judiciary
From: Office of Revisor of Statutes
Date: March 18, 2025
Subject: Informational Briefing on SB 9

Senate Bill 9 prohibits foreign principals from acquiring interests in real estate in proximity to military installations, state agencies and local government from purchasing drones or critical components of drones from foreign principals or that are manufactured in countries of concern and foreign principals from receiving benefits from economic development programs.

Section 1 names sections 1 through 8 as the Kansas land and military installation protection act. It also provides the purpose of the act.

Section 2 provides for definitions as used throughout the act.

Section 3 provides that generally, no foreign principal shall directly or indirectly acquires any interest in real property locations within 100 miles of the boundary of any military installation located in this state or any adjacent state, except a de minimis interest in such real property. Any foreign principal that owns any interest in real property or acquires any interest in real property shall file registration of such interest with the attorney general not later than 90 days after the effective date of the act or the date such interest is acquired, whichever is later. Such filing shall include (1) the name of the individual or entity holding the interest, (2) the date of acquisition, (3) the address and legal description of the real property, and (4) the number of acres comprising the real property. The secretary of state shall provide notice of the registration requirement to all business entities and nonprofit organizations at the time of registration with the secretary of state or any other filing with the secretary of state. The attorney general shall provide the secretary of state with instructions for fulfilling the requirements of subsection (b) and the secretary of state shall provide such instructions with the notice to business entities and nonprofit organizations. A foreign principal that fails to file or acquires interest in real property shall divest such interest in such real property. A copy of the documentation evidencing

divestiture shall be submitted to the attorney general within 30 days. A foreign principal that owns any interest in real property on July 1, 2025, and fails to file shall receive a warning from the attorney general advising the foreign principal of such registration requirement with instructions for filing. The foreign principal shall be allowed a period of 30 days from the date of receipt of the warning to file or divest such interest in the real property. A foreign principal may acquire an interest in real property by devise or bequest, though the enforcement of any security interest or through the collection of debt. Such acquisition shall be subject to subsections (b) and (d).

Section 4 requires the attorney general to investigate suspected violations of section 3. A foreign principal may enter into an agreement with the attorney general to divest interest in real property not more than 360 days from entering into such agreement. The attorney general may commence an action to enforce the act. In such an action the attorney general may seek (1) a court order directing the defendant to divest the interest in real property, (2) injunctive relief, (3) civil forfeiture of the property, and (4) reasonable attorney fees. Upon a determination of the court that the defendant violated the act, the defendant shall divest the defendant's interest in the property within 180 days after the day such court order is issued.

Section 5 prohibits a foreign principal from receiving any direct benefit related to any economic development program regardless of the form of such benefit.

Section 6 requires the attorney general to establish policies and procedures for reporting information concerning non-notified transactions to the attorney general. The attorney general is required to prepare a report on such transactions to the committee on foreign investment in the United States. A copy of such report shall be submitted to the governor, the adjutant general and the standing committees on federal and state affairs in the house and senate. On February 1 of each year the attorney general shall submit a report to the governor, the adjutant general, the standing committees on commerce and federal and state affairs that details the implementation of the act and any recommendations for amendments.

Section 7 provides that only upon any occasion when an organization is designated as a foreign terrorist organization, the fusion center oversight board may adopt rules and regulations to reflect such designation after giving due consideration to security risks and economic costs and benefits.

Section 8 requires Kansas state university, on or before March 1 of each year, to use available data and resources to prepare and submit a report to the legislature and the attorney

general detailing the status and trends of all foreign land holdings of real property within the state. Section 9 provides that the act is severable.

Section 10 amends K.S.A. 60-4104, the statute providing the conduct giving rise to forfeiture under the Kansas standard asset seizure and forfeiture act, to include a violation of the Kansas land and military installation protection act as conduct giving rise to forfeiture.

Section 11 amends K.S.A. 60-4106, the statute governing exemptions to forfeiture. Current law requires conduct that constitutes a felony before real property may be forfeited and this bill adds an exception to that exemption for violations of the Kansas land and military installation protection act.

Section 12 prohibits a governmental agency from purchasing or acquiring drones or related services, maintenance agreements or equipment if the critical components are produced in a country of concern or produced or owned by any foreign principal. Any such equipment that was acquired prior to July 1, 2025, may continue to be used by the agency, but when it needs replaced the agency will be required to comply with subsection (a). An acquisition that would otherwise be prohibited by subsection (a) may be completed if (1) there is no other reasonable means to acquire such components or of addressing the needs of the governmental agency necessitating such acquisition, (2) the agreement for such acquisition is approved by the secretary of administration after consultation with the adjutant general, and (3) failure to acquire the components or otherwise address the needs of the governmental agency would pose a greater threat to the safety and security of this state than that posed by entering into such agreement. This section shall apply prospectively only. Section 13 provides the definitions for terms that are used in section 12.