

House Substitute for SENATE BILL No. 9

By Committee on Commerce, Labor and Economic Development

3-5

1 AN ACT concerning property; relating to certain lands and military
2 installations; enacting the Kansas land and military installation
3 protection act; prohibiting foreign principals from countries of concern
4 from acquiring any interest in certain real property in this state;
5 authorizing the fusion center oversight board to adopt rules and
6 regulations to add or remove federally designated foreign terrorist
7 organizations from the definition of country of concern; prohibiting
8 foreign principals from countries of concern from receiving any
9 economic development program benefits; relating to drones and drone
10 technology; prohibiting the acquisition of critical components of drone
11 technology from countries of concern; amending K.S.A. 2024 Supp.
12 60-4104 and 60-4106 and repealing the existing sections.
13

14 *Be it enacted by the Legislature of the State of Kansas:*

15 New Section 1. (a) Sections 1 through 8, and amendments thereto,
16 shall be known and may be cited as the Kansas land and military
17 installation protection act.

18 (b) The purpose of this act is to protect certain real property and
19 military installations located in this state by prohibiting countries of
20 concern and any agent thereof from acquiring any interest in such real
21 property.

22 New Sec. 2. As used in sections 1 through 8, and amendments
23 thereto:

24 (a) "Attorney general" means the attorney general of the state of
25 Kansas.

26 (b) "Company" means any:

27 (1) For-profit corporation, partnership, limited partnership, limited
28 liability partnership, limited liability company, joint venture, trust,
29 association, sole proprietorship or other organization, including any:

30 (A) Subsidiary of such company, a majority ownership interest of
31 which is held by such company;

32 (B) parent company that holds a majority ownership interest of such
33 company;

34 (C) other affiliate or business association of such company whose
35 primary purpose is to make a profit; and

36 (D) representative agent of such company; or

1 (2) nonprofit organization.

2 (c) (1) "Country of concern" means the following:

3 (A) (i) People's republic of China, including the Hong Kong special
4 administrative region;

5 (ii) republic of Cuba;

6 (iii) islamic republic of Iran;

7 (iv) democratic people's republic of Korea;

8 (v) Russian federation; and

9 (vi) Bolivarian republic of Venezuela.

10 (B) "Country of concern" does not include the republic of China
11 (Taiwan); and

12 (2) any organization that is designated as a foreign terrorist
13 organization as of July 1, 2025, pursuant to 8 U.S.C. § 1189, as in effect on
14 July 1, 2025, except as otherwise provided by rules and regulations
15 adopted by the fusion center oversight board pursuant to section 7, and
16 amendments thereto.

17 (d) "De minimis interest" means any interest in real property that is:

18 (1) The result of ownership of registered securities in a publicly
19 traded company; and

20 (2) such ownership is:

21 (A) Less than 10% of any class of registered securities or less than
22 10% of the aggregate registered securities of multiple classes of securities;
23 or

24 (B) a noncontrolling interest in an entity that is controlled by a
25 company that is registered with the United States securities and exchange
26 commission as an investment adviser under the investment advisers act of
27 1940, P.L. 117-263 and is not a foreign entity.

28 (e) "Domicile" means the country where:

29 (1) A company is organized;

30 (2) a company completes a substantial portion of its business; or

31 (3) a majority of a company's ownership interest is held.

32 (f) "Economic development incentive program" means:

33 (1) Any economic development incentive program administered
34 wholly or in part by the secretary of commerce;

35 (2) any tax credit, except for social and domestic tax credits,
36 regardless of the administering state agency;

37 (3) property that has been exempted from ad valorem taxation under
38 the provisions of section 13 of article 11 of the constitution of the state of
39 Kansas;

40 (4) property that has been purchased, acquired, constructed,
41 reconstructed, improved, equipped, furnished, repaired, enlarged or
42 remodeled with all or any part of the proceeds of revenue bonds issued
43 under any authority granted in article 17 of chapter 12 of the Kansas

1 Statutes Annotated, and amendments thereto;

2 (5) any economic development fund, including, but not limited to, the
3 job creation program fund established by K.S.A. 74-50,224, and
4 amendments thereto, and the economic development initiatives fund
5 established by K.S.A. 79-4804, and amendments thereto; and

6 (6) any other economic development incentive program that provides
7 any form of tax credit, abatement or exemption or financial assistance
8 provided by or authorized by a governmental entity.

9 (g) "Foreign entity" means any company whose domicile is any
10 country other than the United States.

11 (h) "Foreign principal" means:

12 (1) The government or any official of the government of a country of
13 concern;

14 (2) any political party, subdivision thereof or any member of a
15 political party of a country of concern;

16 (3) any corporation, partnership, association, organization or other
17 combination of persons organized under the laws of or having its principal
18 place of business in a country of concern. "Foreign principal" includes any
19 subsidiary owned or wholly controlled by any such entity;

20 (4) any agent of or any entity otherwise under the control of a country
21 of concern;

22 (5) any individual who is a citizen or resident of a country of concern
23 and is not a citizen or lawful permanent resident of the United States; or

24 (6) any individual, entity or combination thereof described in
25 paragraphs (1) through (5) that has a controlling interest in any company
26 formed for the purpose of holding any interest in real property.

27 (i) "Fusion center oversight board" means the fusion center oversight
28 board established in K.S.A. 2024 Supp. 48-3705, and amendments thereto.

29 (j) "Interest in real property" means any:

30 (1) Ownership interest in any parcel of real property acquired by
31 purchase, gift, grant, devise, bequest or other transfer of such interest;

32 (2) ownership or other interest in any easement or other right of
33 egress onto or across any parcel of real property;

34 (3) ownership or other interest in any right to any oil, gas, minerals or
35 water located on or under any parcel of real property; and

36 (4) any interest or right to possess or use any parcel of real property
37 acquired by the execution of a lease, lease-purchase or any other form of
38 rental agreement.

39 (k) "Military installation" means any land, buildings or other
40 structures owned or controlled by any division of the United States
41 department of defense, Kansas national guard or any other federal or state
42 agency that is critical to the safety and security of Kansas or the United
43 States.

1 (l) "Non-notified transaction" means any transaction involving
2 foreign investment in the United States that is not voluntarily submitted to
3 the committee on foreign investment in the United States for review
4 pursuant to 50 U.S.C. § 4565.

5 (m) "Real property" means any real estate located in this state except
6 residential real property.

7 (n) "Residential real property" means real property that is used
8 exclusively as a place of residence for human habitation.

9 (o) "Social and domestic tax credits" means the adoption credit
10 created pursuant to K.S.A. 79-32,202a, and amendments thereto, the
11 earned income tax credit created pursuant to K.S.A. 79-32,205, and
12 amendments thereto, the food sales tax credit created pursuant to K.S.A.
13 79-32,271, and amendments thereto, the child and dependent care tax
14 credit created pursuant to K.S.A. 79-32,111c, and amendments thereto, and
15 the homestead property tax refund created pursuant to K.S.A. 79-4501 et
16 seq., and amendments thereto.

17 (p) "State agency" means any department, authority, bureau, division,
18 office or other governmental agency of this state.

19 (q) "Tax credit" means any credit allowed against the tax imposed by
20 the Kansas income tax act, the premium or privilege fees imposed
21 pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as
22 measured by net income of financial institutions imposed pursuant to
23 article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments
24 thereto.

25 New Sec. 3. (a) Except as provided in subsections (d) and (e), no
26 foreign principal shall directly or indirectly acquire any interest in any real
27 property located within 100 miles of the boundary of any military
28 installation located in this state or any adjacent state, except a de minimis
29 interest in such real property.

30 (b) Any foreign principal that owns any interest in real property as
31 described in subsection (a) or directly or indirectly acquires any interest in
32 real property as described in subsection (a) shall file registration of such
33 interest with the attorney general in such form and manner as prescribed
34 by the attorney general not later than 90 days after the effective date of this
35 act or the date such interest is acquired, whichever occurs later. Such filing
36 shall include:

37 (1) The name of the individual or entity holding such interest;

38 (2) the date of acquisition;

39 (3) the address and legal description of the real property; and

40 (4) the number of acres comprising the real property.

41 (c) (1) Any foreign principal that fails to file the registration as
42 required under subsection (b) or directly or indirectly acquires any interest
43 in real property as described in subsection (a) shall divest such interest in

1 such real property.

2 (2) A copy of all documentation evidencing such divestiture shall be
3 submitted to the attorney general in such manner as prescribed by the
4 attorney general not later than 30 days after the effective date of such
5 divestiture.

6 (d) A foreign principal may acquire an interest in real property by
7 devise or bequest, through the enforcement of any security interest or
8 through the collection of a debt. Any such acquisition shall be subject to
9 the provisions of subsections (b) and (c).

10 New Sec. 4. (a) The attorney general shall investigate any suspected
11 violation of section 3, and amendments thereto.

12 (b) A foreign principal who is subject to the requirements of section
13 3, and amendments thereto, may enter into an agreement with the attorney
14 general to divest such foreign principal's interest in real property not more
15 than 360 days from entering into such agreement.

16 (c) The attorney general may commence an action in a court of
17 competent jurisdiction to enforce the provisions of section 3, and
18 amendments thereto. In any such action, the attorney general may seek:

19 (1) A court order directing the defendant to divest such defendant's
20 interest in such real property;

21 (2) injunctive relief;

22 (3) civil forfeiture of the defendant's interest in such real property
23 pursuant to K.S.A. 60-4101 et seq., and amendments thereto; and

24 (4) reasonable attorney fees and court costs.

25 (d) Upon a determination by a court of competent jurisdiction that the
26 defendant has violated the requirements of section 3, and amendments
27 thereto, the defendant shall divest such defendant's interest in such real
28 property within 180 days after the day such court order is issued.

29 New Sec. 5. No foreign principal shall receive any direct benefit
30 related to any economic development program regardless of the form of
31 such benefit.

32 New Sec. 6. (a) The attorney general shall establish policies and
33 procedures for the reporting of information concerning non-notified
34 transactions to the attorney general. Any person may report information
35 concerning such transactions in such form and manner as prescribed by the
36 attorney general.

37 (b) The attorney general shall prepare and submit a report on any
38 identified non-notified transactions to the committee on foreign investment
39 in the United States. A copy of such report shall be submitted to the
40 governor, the adjutant general and the standing committees on federal and
41 state affairs of the senate and the house of representatives or any successor
42 committee of either such standing committee.

43 (c) On or before February 1 of each year, the attorney general shall

1 prepare and submit a report to the governor, the adjutant general, the
2 standing committee on commerce, labor and economic development of the
3 house of representatives, the standing committee on commerce of the
4 senate, the standing committee on federal and state affairs of the house of
5 representatives and the standing committee on federal and state affairs of
6 the senate or any successor committee of such standing committees. Such
7 report shall detail the implementation of the Kansas land and military
8 installation protection act and include the attorney general's recommended
9 amendments to the definition of country of concern, if any.

10 (d) The attorney general shall retain copies of any documents that are
11 made a part of or otherwise submitted to the committee on foreign
12 investment in the United States along with the report required under
13 subsection (b).

14 (e) On or before January 1, 2026, the attorney general shall adopt
15 rules and regulations to implement the provisions of this section.

16 New Sec. 7. (a) Upon any occasion when an organization is
17 designated as a foreign terrorist organization or has such designation
18 revoked pursuant to 8 U.S.C. § 1189, the fusion center oversight board
19 may adopt rules and regulations to reflect such designation or revocation
20 of such designation, but only after giving due consideration to the risks to
21 state and national security and the economic costs and benefits of such
22 action.

23 (b) In no case shall the fusion center oversight board adopt any rule
24 or regulation pursuant to this section that would designate an organization
25 as a foreign terrorist organization that is not designated as a foreign
26 terrorist organization pursuant to 8 U.S.C. § 1189.

27 New Sec. 8. On or before March 1 of each year, Kansas state
28 university shall use available data and resources to prepare and submit a
29 report to the legislature and the attorney general detailing the status and
30 trends of all foreign land holdings of real property within the state of
31 Kansas.

32 New Sec. 9. Sections 1 through 8, and amendments thereto, are
33 declared severable. Any provision of sections 1 through 8, and
34 amendments thereto, or the application thereof to any person or
35 circumstance that is held to be unconstitutional or invalid shall not affect
36 the validity of any remaining provisions of sections 1 through 8, and
37 amendments thereto, or the applicability of such provisions to any person
38 or circumstance.

39 Sec. 10. K.S.A. 2024 Supp. 60-4104 is hereby amended to read as
40 follows: 60-4104. Conduct and offenses giving rise to forfeiture under this
41 act, whether or not there is a prosecution or conviction related to the
42 offense, are:

43 (a) All offenses which statutorily and specifically authorize forfeiture;

1 (b) violations involving controlled substances, as described in K.S.A.
2 21-5703, 21-5705, 21-5707, 21-5708(b), 21-5709(a), (b)(1), (c) and (d),
3 21-5710, 21-5713(a), 21-5714 and 21-5716, and amendments thereto;

4 (c) theft, as defined in K.S.A. 21-5801, and amendments thereto;

5 (d) criminal discharge of a firearm, as defined in K.S.A. 21-6308(a)
6 (1) and (a)(2), and amendments thereto;

7 (e) gambling, as defined in K.S.A. 21-6404, and amendments thereto,
8 and commercial gambling, as defined in K.S.A. 21-6406(a)(1), and
9 amendments thereto;

10 (f) counterfeiting, as defined in K.S.A. 21-5825, and amendments
11 thereto;

12 (g) unlawful possession or use of a scanning device or reencoder, as
13 described in K.S.A. 21-6108, and amendments thereto;

14 (h) medicaid fraud, as described in K.S.A. 21-5925 through 21-5934,
15 and amendments thereto;

16 (i) an act or omission occurring outside this state, which would be a
17 violation in the place of occurrence and would be described in this section
18 if the act occurred in this state, whether or not it is prosecuted in any state;

19 (j) an act or omission committed in furtherance of any act or omission
20 described in this section including any inchoate or preparatory offense,
21 whether or not there is a prosecution or conviction related to the act or
22 omission;

23 (k) any solicitation or conspiracy to commit any act or omission
24 described in this section, whether or not there is a prosecution or
25 conviction related to the act or omission;

26 (l) terrorism, as defined in K.S.A. 21-5421, and amendments thereto,
27 illegal use of weapons of mass destruction, as defined in K.S.A. 21-5422,
28 and amendments thereto, and furtherance of terrorism or illegal use of
29 weapons of mass destruction, as described in K.S.A. 21-5423, and
30 amendments thereto;

31 (m) unlawful conduct of dog fighting and unlawful possession of dog
32 fighting paraphernalia, as defined in K.S.A. 21-6414(a) and (b), and
33 amendments thereto;

34 (n) unlawful conduct of cockfighting and unlawful possession of
35 cockfighting paraphernalia, as defined in K.S.A. 21-6417(a) and (b), and
36 amendments thereto;

37 (o) selling sexual relations, as defined in K.S.A. 21-6419, and
38 amendments thereto, promoting the sale of sexual relations, as defined in
39 K.S.A. 21-6420, and amendments thereto, and buying sexual relations, as
40 defined in K.S.A. 21-6421, and amendments thereto;

41 (p) human trafficking and aggravated human trafficking, as defined in
42 K.S.A. 21-5426, and amendments thereto;

43 (q) violations of the banking code, as described in K.S.A. 9-2012, and

1 amendments thereto;

2 (r) mistreatment of a dependent adult, as defined in K.S.A. 21-5417,
3 and amendments thereto;

4 (s) giving a worthless check, as defined in K.S.A. 21-5821, and
5 amendments thereto;

6 (t) forgery, as defined in K.S.A. 21-5823, and amendments thereto;

7 (u) making false information, as defined in K.S.A. 21-5824, and
8 amendments thereto;

9 (v) criminal use of a financial card, as defined in K.S.A. 21-5828, and
10 amendments thereto;

11 (w) unlawful acts concerning computers, as described in K.S.A. 21-
12 5839, and amendments thereto;

13 (x) identity theft and identity fraud, as defined in K.S.A. 21-6107(a)
14 and (b), and amendments thereto;

15 (y) electronic solicitation, as defined in K.S.A. 21-5509, and
16 amendments thereto;

17 (z) felony violations of fleeing or attempting to elude a police officer,
18 as described in K.S.A. 8-1568, and amendments thereto;

19 (aa) commercial sexual exploitation of a child, as defined in K.S.A.
20 21-6422, and amendments thereto;

21 (bb) violations of the Kansas racketeer influenced and corrupt
22 organization act, as described in K.S.A. 21-6329, and amendments thereto;

23 (cc) indecent solicitation of a child and aggravated indecent
24 solicitation of a child, as defined in K.S.A. 21-5508, and amendments
25 thereto;

26 (dd) sexual exploitation of a child, as defined in K.S.A. 21-5510, and
27 amendments thereto; ~~and~~

28 (ee) violation of a consumer protection order as defined in K.S.A. 21-
29 6423, and amendments thereto; *and*

30 *(ff) violation of the Kansas land and military installation protection*
31 *act as described in section 3, and amendments thereto.*

32 Sec. 11. K.S.A. 2024 Supp. 60-4106 is hereby amended to read as
33 follows: 60-4106. (a) Except as provided in this subsection, all property,
34 including all interests in property, described in K.S.A. 60-4105, and
35 amendments thereto, is subject to forfeiture subject to all mortgages, deeds
36 of trust, financing statements or security agreements properly of record
37 prior to the forfeiture held by an interest holder.

38 (1) No real property or conveyance, or an interest therein, may be
39 forfeited under this act unless the offense or conduct giving rise to
40 forfeiture constitutes a felony, *except as provided in the Kansas land and*
41 *military installation protection act, section 1 et seq., and amendments*
42 *thereto.*

43 (2) No conveyance used by any person as a common carrier in the

1 transaction of business as a common carrier is subject to forfeiture under
2 this act unless the owner or other person in charge of the conveyance is a
3 consenting party or privy to a violation of this act.

4 (3) No property is subject to forfeiture under this act if the owner or
5 interest holder acquired the property before or during the conduct giving
6 rise to the property's forfeiture, and such owner or interest holder:

7 (A) Did not know and could not have reasonably known of the act or
8 omission or that it was likely to occur; or

9 (B) acted reasonably to prevent the conduct giving rise to forfeiture.

10 (4) No property is subject to forfeiture if the owner or interest holder
11 acquired the property after the conduct giving rise to the property's
12 forfeiture, including acquisition of proceeds of conduct giving rise to
13 forfeiture, and such owner or interest holder:

14 (A) Acquired the property in good faith, for value; and

15 (B) was not knowingly taking part in an illegal transaction.

16 (5) (A) An interest in property acquired in good faith by an attorney
17 as reasonable payment or to secure payment for legal services in a criminal
18 matter relating to violations of this act or for the reimbursement of
19 reasonable expenses related to the legal services is exempt from forfeiture
20 unless before the interest was acquired the attorney knew of a judicial
21 determination of probable cause that the property is subject to forfeiture.

22 (B) The state bears the burden of proving that an exemption claimed
23 under this section is not applicable. Evidence made available by the
24 compelled disclosure of confidential communications between an attorney
25 and a client other than nonprivileged information relating to attorney fees,
26 is not admissible to satisfy the state's burden of proof.

27 (b) Notwithstanding subsection (a), property is not exempt from
28 forfeiture, even though the owner or interest holder lacked knowledge or
29 reason to know that the conduct giving rise to property's forfeiture had
30 occurred or was likely to occur, if the:

31 (1) Person whose conduct gave rise to the property's forfeiture had
32 authority to convey the property of the person claiming the exemption to a
33 good faith purchaser for value at the time of the conduct;

34 (2) owner or interest holder is criminally responsible for the conduct
35 giving rise to the property's forfeiture, whether or not there is a prosecution
36 or conviction; or

37 (3) owner or interest holder acquired the property with notice of the
38 property's actual or constructive seizure for forfeiture under this act, or
39 with reason to believe that the property was subject to forfeiture under this
40 act.

41 (c) Prior to final judgment in a judicial forfeiture proceeding, the
42 court shall determine whether the proposed forfeiture is unconstitutionally
43 excessive pursuant to K.S.A. 60-4112(g), and amendments thereto, if the

1 court has not made such determination earlier in the proceeding as a result
2 of a petition filed pursuant to K.S.A. 60-4112(g), and amendments thereto.

3 New Sec. 12. (a) In addition to the provisions of K.S.A. 75-3739, and
4 amendments thereto, and any other applicable statutes concerning
5 purchases, a governmental agency shall not purchase or acquire any drone
6 or any related services, maintenance agreements or equipment, the critical
7 components of which were:

8 (1) Produced in any country of concern; or

9 (2) produced or owned by any foreign principal.

10 (b) Any critical components for drones or any related services or
11 equipment that were acquired prior to July 1, 2025, and that are not in
12 compliance with subsection (a) may continue to be used by the
13 governmental agency that acquired such critical components. When a
14 governmental agency determines that a critical component must be
15 replaced, the governmental agency may use any replacement component
16 acquired prior to July 1, 2025, but no new replacement component shall be
17 acquired from any foreign principal.

18 (c) Any acquisition that is otherwise prohibited under subsection (a)
19 or (b) may be completed by a governmental agency if:

20 (1) There is no other reasonable means to acquire such critical
21 components or of addressing the needs of the governmental agency
22 necessitating such acquisition;

23 (2) the agreement for such acquisition is approved by the secretary of
24 administration after consultation with the adjutant general; and

25 (3) failure to acquire such critical components or otherwise address
26 the needs of the governmental agency would pose a greater threat to the
27 safety and security of this state than that posed by entering into such
28 acquisition agreement.

29 (d) The provisions of this section shall not apply to any contract or
30 agreement entered into prior to July 1, 2025.

31 New Sec. 13. As used in section 12, and amendments thereto:

32 (a) "Company" means any:

33 (1) For-profit corporation, partnership, limited partnership, limited
34 liability partnership, limited liability company, joint venture, trust,
35 association, sole proprietorship or other organization, including any:

36 (A) Subsidiary of such company, a majority ownership interest of
37 which is held by such company;

38 (B) parent company that holds a majority ownership interest of such
39 company;

40 (C) other affiliate or business association of such company whose
41 primary purpose is to make a profit; and

42 (D) representative agent of such company; or

43 (2) nonprofit organization.

1 (b) (1) "Country of concern" means the following:

2 (A) People's republic of China, including the Hong Kong special
3 administrative region;

4 (B) republic of Cuba;

5 (C) islamic republic of Iran;

6 (D) democratic people's republic of Korea;

7 (E) Russian federation; and

8 (F) Bolivarian republic of Venezuela.

9 (2) "Country of concern" does not include the republic of China
10 (Taiwan).

11 (c) (1) "Critical component" means those components or
12 subcomponents that are:

13 (A) Distinct and serviceable articles; and

14 (B) the primary component or subcomponent of an identifiable
15 process or subprocess necessary to the recording, storing or transmitting of
16 data or any other form of information.

17 (2) "Critical component" includes any software installed in a drone or
18 in any device or network device used in support of the operations of a
19 drone.

20 (d) "Domicile" means the country where a:

21 (1) Company is organized;

22 (2) company completes a substantial portion of its business; or

23 (3) majority of a company's ownership interest is held.

24 (e) "Drone" means an unmanned aircraft that is controlled remotely
25 by a human operator or operates autonomously through computer software
26 or other programming.

27 (f) "Foreign principal" means:

28 (1) The government or any official of the government of a country of
29 concern;

30 (2) any political party, subdivision thereof or any member of a
31 political party of a country of concern;

32 (3) any corporation, partnership, association, organization or other
33 combination of persons organized under the laws of or having its principal
34 place of business in a country of concern. "Foreign principal" includes any
35 subsidiary owned or wholly controlled by any such entity;

36 (4) any agent of or any entity otherwise under the control of a country
37 of concern;

38 (5) any individual whose residence is in a country of concern and
39 who is not a citizen or lawful permanent resident of the United States; or

40 (6) any individual, entity or combination thereof described in
41 paragraphs (1) through (5) that has a controlling interest in any company
42 formed for the purpose of manufacturing, distributing, transporting or
43 selling critical components for drones and related services and equipment.

1 (g) "Governmental agency" means the state or any political or taxing
2 subdivision of the state or any office, agency or instrumentality thereof.

3 Sec. 14. K.S.A. 2024 Supp. 60-4104 and 60-4106 are hereby
4 repealed.

5 Sec. 15. This act shall take effect and be in force from and after its
6 publication in the statute book.