

House Substitute for SENATE BILL No. 9

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

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

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

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

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

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

(b) "Company" means any:

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

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

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

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

(D) representative agent of such company; or

(2) nonprofit organization.

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

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

(ii) republic of Cuba;

(iii) islamic republic of Iran;

(iv) democratic people's republic of Korea;

(v) Russian federation; and

(vi) Bolivarian republic of Venezuela.

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

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

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

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

(2) such ownership is:

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

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

outside of the United States.

(e) "Domicile" means the country where:

- (1) A company is organized;
- (2) a company completes a substantial portion of its business; or
- (3) a majority of a company's ownership interest is held.

(f) "Economic development incentive program" means:

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

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

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

(4) property that has been purchased, acquired, constructed, reconstructed, improved, equipped, furnished, repaired, enlarged or remodeled with all or any part of the proceeds of revenue bonds issued under any authority granted in article 17 of chapter 12 of the Kansas Statutes Annotated, and amendments thereto;

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

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

(g) "Foreign principal" means:

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

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

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

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

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

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

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

(i) "Interest in real property" means any:

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

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

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

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

(j) "Military installation" means any land, buildings or other structures owned or controlled by any division of the United States department of defense, Kansas national guard or any other federal or

state agency that is critical to the safety and security of Kansas or the United States.

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

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

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

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

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

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

New Sec. 3. (a) Except as provided in subsections (b) and (f), on and after July 1, 2025, no foreign principal shall directly or indirectly acquire any interest in any real property located 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.

(b) A foreign principal that owns real property described in subsection (a) prior to July 1, 2025, and seeks to acquire additional real property described in subsection (a) for the purpose of expansion of operations shall request approval for such acquisition from the governor. The governor shall consult with the attorney general and the fusion center oversight board to determine whether there is any security risk to military installations or critical infrastructure due to the expansion. The governor shall issue approval or denial of such expansion within 90 days of receiving the request.

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

- (1) The name of the individual or entity holding such 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.

(d) The secretary of state shall provide notice of the registration requirement for foreign principals of subsection (c) to all business entities and nonprofit organizations at the time of each of such business entity's or nonprofit organization's registration with the secretary of state or of 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 (c), and the secretary of state shall provide such instructions with such notice to business entities and

nonprofit organizations.

(e) (1) (A) Except as provided by paragraph (B), if applicable, any foreign principal that fails to file the registration as required under subsection (c) or directly or indirectly acquires any interest in real property as described in subsection (a) shall divest such interest in such real property.

(B) Any foreign principal that owns any interest in real property as described in subsection (a) on July 1, 2025, and fails to file the registration as required under subsection (c) with respect to such interest in real property shall receive a warning from the attorney general advising the foreign principal of such registration requirement and instructing the foreign principal as to the manner of fulfilling such requirement. The foreign principal shall be allowed a period of 30 days from the date of receipt of such warning and instructions to file such registration as required under subsection (c) without a requirement of divestiture of such interest in real property. If such foreign principal fails to file such registration within such 30-day period, such foreign principal shall divest such interest in such real property. The provisions of this subparagraph shall expire on June 30, 2028.

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

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

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

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

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

- (1) A court order directing the defendant to divest such defendant's interest in such real property;
- (2) injunctive relief;
- (3) civil forfeiture of the defendant's interest in such real property pursuant to K.S.A. 60-4101 et seq., and amendments thereto; and
- (4) reasonable attorney fees and court costs.

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

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

New Sec. 6. (a) Any person may report information concerning non-notified transactions in such form and manner as prescribed by the attorney general.

(b) The attorney general shall prepare and submit a report on any identified non-notified 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 of the senate and the house of representatives or any successor committee of either such standing

committee.

(c) On or before February 1 of each year, the attorney general shall prepare and submit a report to the governor, the adjutant general, the standing committee on commerce, labor and economic development of the house of representatives, the standing committee on commerce of the senate, the standing committee on federal and state affairs of the house of representatives and the standing committee on federal and state affairs of the senate or any successor committee of such standing committees. Such report shall detail the implementation of the Kansas land and military installation protection act and include the attorney general's recommended amendments to the definition of country of concern, if any.

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

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

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

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

New Sec. 8. On or before March 1 of each year, Kansas state university shall 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 of Kansas.

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

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

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

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

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

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

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

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

- (g) unlawful possession or use of a scanning device or reencoder, as described in K.S.A. 21-6108, and amendments thereto;
- (h) medicaid fraud, as described in K.S.A. 21-5925 through 21-5934, and amendments thereto;
- (i) an act or omission occurring outside this state, which would be a violation in the place of occurrence and would be described in this section if the act occurred in this state, whether or not it is prosecuted in any state;
- (j) an act or omission committed in furtherance of any act or omission described in this section including any inchoate or preparatory offense, whether or not there is a prosecution or conviction related to the act or omission;
- (k) any solicitation or conspiracy to commit any act or omission described in this section, whether or not there is a prosecution or conviction related to the act or omission;
- (l) terrorism, as defined in K.S.A. 21-5421, and amendments thereto, illegal use of weapons of mass destruction, as defined in K.S.A. 21-5422, and amendments thereto, and furtherance of terrorism or illegal use of weapons of mass destruction, as described in K.S.A. 21-5423, and amendments thereto;
- (m) unlawful conduct of dog fighting and unlawful possession of dog fighting paraphernalia, as defined in K.S.A. 21-6414(a) and (b), and amendments thereto;
- (n) unlawful conduct of cockfighting and unlawful possession of cockfighting paraphernalia, as defined in K.S.A. 21-6417(a) and (b), and amendments thereto;
- (o) selling sexual relations, as defined in K.S.A. 21-6419, and amendments thereto, promoting the sale of sexual relations, as defined in K.S.A. 21-6420, and amendments thereto, and buying sexual relations, as defined in K.S.A. 21-6421, and amendments thereto;
- (p) human trafficking and aggravated human trafficking, as defined in K.S.A. 21-5426, and amendments thereto;
- (q) violations of the banking code, as described in K.S.A. 9-2012, and amendments thereto;
- (r) mistreatment of a dependent adult, as defined in K.S.A. 21-5417, and amendments thereto;
- (s) giving a worthless check, as defined in K.S.A. 21-5821, and amendments thereto;
- (t) forgery, as defined in K.S.A. 21-5823, and amendments thereto;
- (u) making false information, as defined in K.S.A. 21-5824, and amendments thereto;
- (v) criminal use of a financial card, as defined in K.S.A. 21-5828, and amendments thereto;
- (w) unlawful acts concerning computers, as described in K.S.A. 21-5839, and amendments thereto;
- (x) identity theft and identity fraud, as defined in K.S.A. 21-6107(a) and (b), and amendments thereto;
- (y) electronic solicitation, as defined in K.S.A. 21-5509, and amendments thereto;
- (z) felony violations of fleeing or attempting to elude a police officer, as described in K.S.A. 8-1568, and amendments thereto;
- (aa) commercial sexual exploitation of a child, as defined in K.S.A. 21-6422, and amendments thereto;
- (bb) violations of the Kansas racketeer influenced and corrupt organization act, as described in K.S.A. 21-6329, and amendments thereto;
- (cc) indecent solicitation of a child and aggravated indecent solicitation of a child, as defined in K.S.A. 21-5508, and amendments

thereto;

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

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

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

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

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

(2) No conveyance used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this act unless the owner or other person in charge of the conveyance is a consenting party or privy to a violation of this act.

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

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

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

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

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

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

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

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

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

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

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

(3) owner or interest holder acquired the property with notice of

the property's actual or constructive seizure for forfeiture under this act, or with reason to believe that the property was subject to forfeiture under this act.

(c) Prior to final judgment in a judicial forfeiture proceeding, the court shall determine whether the proposed forfeiture is unconstitutionally excessive pursuant to K.S.A. 60-4112(g), and amendments thereto, if the court has not made such determination earlier in the proceeding as a result of a petition filed pursuant to K.S.A. 60-4112(g), and amendments thereto.

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

- (1) Produced in any country of concern; or
- (2) produced or owned by any foreign principal.

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

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

- (1) There is no other reasonable means to acquire such critical 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 such critical 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 acquisition agreement.

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

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

(a) "Company" means any:

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

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

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

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

(D) representative agent of such company; or

(2) nonprofit organization.

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

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

(B) republic of Cuba;

(C) islamic republic of Iran;

(D) democratic people's republic of Korea;

(E) Russian federation; and

(F) Bolivarian republic of Venezuela.

(2) "Country of concern" does not include the republic of China



(Taiwan).

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

(A) Distinct and serviceable articles; and

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

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

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

(1) Company is organized;

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

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

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

(f) "Foreign principal" means:

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

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

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

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

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

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

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

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

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

I hereby certify that the above BILL originated in the SENATE, and passed that body

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SENATE adopted

Conference Committee Report \_\_\_\_\_

\_\_\_\_\_  
*President of the Senate.*

\_\_\_\_\_  
*Secretary of the Senate.*

Passed the HOUSE

as amended \_\_\_\_\_

HOUSE adopted

Conference Committee Report \_\_\_\_\_

\_\_\_\_\_  
*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*