



MEMORANDUM

SB 264 - Interests of Foreign Countries

Florida Governor Ron DeSantis signed [Senate Bill 264](#), Interests of Foreign Countries, effective July 1, 2023. The law, in part, limits and regulates the sale, purchase and ownership of certain properties in Florida by foreign principals, persons and entities described in Part III of Chapter 692, Florida Statutes.

The three sections of the bill that impact the real estate industry are summarized below. The Florida Real Estate Commission (FREC), Department of Agriculture and Consumer Services (DACCS), and the Department of Economic Opportunity (DEO) are required to implement specific portions of the bill, so a number of details regarding the law's application are still pending. Florida Realtors® will engage in the implementation process.

This summary is a broad overview of a new and very technical law. Realtors® should advise the parties to real estate transactions to consult an attorney regarding how the law may impact their legal rights and responsibilities. Definitions of bolded and italicized words are provided on the second page. The prohibition against acquisition of real property in these sections does not apply to a purchase for a diplomatic purpose.

Section 5: Purchase of Agricultural Land by Foreign Principals

The bill prohibits the purchase of ***agricultural land*** by ***foreign principals***.

- At time of purchase, buyers of agricultural land must provide a signed affidavit attesting that they are not a foreign principal.
- Persons who acquire or knowingly sell agricultural land in violation of this section commit a misdemeanor.
- FREC is required to adopt rules to implement portions of the statute and develop the affidavit.
- Foreign principals may continue to own agricultural land if owned before July 1, 2023, but must register with DACS.
- Foreign principals may acquire agricultural land on or after July 1, 2023 by devise or descent, through the enforcement of security interests, or through the collection of debts, but must sell within 3 years after acquisition.
- Land acquired in violation of this statute may be forfeited to the state.

Section 6: Purchase of Real Property On or Around Military Installations and Critical Infrastructure

The bill prohibits the purchase of ***real property*** within 10 miles of any ***military installation*** or ***critical infrastructure facility*** in Florida by foreign principals.

- At time of purchase, buyers of property within 10 miles of a military installation or critical infrastructure facility must provide a signed affidavit attesting that they are not a foreign principal.
- Persons who acquire or knowingly sell real property in violation of this section commit a misdemeanor.
- FREC is required to adopt rules to implement portions of the statute and develop the affidavit.
- Foreign principals may continue to own real property within 10 miles of any military installation or critical infrastructure if owned before July 1, 2023, but must register with DEO by December 31, 2023.
- There is an exception for foreign principals, who are natural persons, to purchase one residential property up to 2 acres in size if:
 - The property is not located within 5 miles of any military installation;
 - The person has a U.S. Visa that is not limited to tourism, or has official documentation confirming that the person has been granted asylum in the U.S.; and
 - The purchase is in the name of the person who holds a visa or official documentation.
- Foreign principals may acquire real property within 10 miles of any military installation or critical infrastructure facility in the state on or after July 1, 2023 by devise or decent, through the enforcement of security interests, or through the collection of debts, but must sell within 3 years of acquisition.
- Land acquired in violation of this statute may be forfeited to the state.

Section 7: Purchase and Acquisition of Real Property by the People's Republic of China (PRC)

The bill prohibits certain PRC persons or entities from owning or acquiring real property in the state.

- At time of purchase, buyers of real property must provide a signed affidavit attesting they are not **"persons or entities associated with the PRC"**.
- FREC is required to adopt rules to implement portions of the statute and develop the affidavit.
- Persons who knowingly sell real property in violation of this section commit a misdemeanor. Any other violation of this section is a felony.
- There is an exception for natural persons associated with the PRC to purchase one residential property up to 2 acres in size if:
 - The property is not located within 5 miles of a military installation;
 - The person has a U.S. Visa that is not limited to tourism, or official documentation confirming that the person has been granted asylum in the U.S.; and
 - The purchase is in the name of the person who holds the visa or official documentation.
- Persons or entities associated with the PRC that own property in Florida before July 1, 2023 may continue to own such property but cannot purchase or inherit additional property and must register with DEO by December 31, 2023.
- Persons or entities associated with the PRC may acquire property in Florida on or after July 1, 2023 by devise or descent, through the enforcement of security interests, or through the collection of debts, but must sell within 3 years of acquisition.
- Property owned or acquired in violation of the new statute may be forfeited to the state.

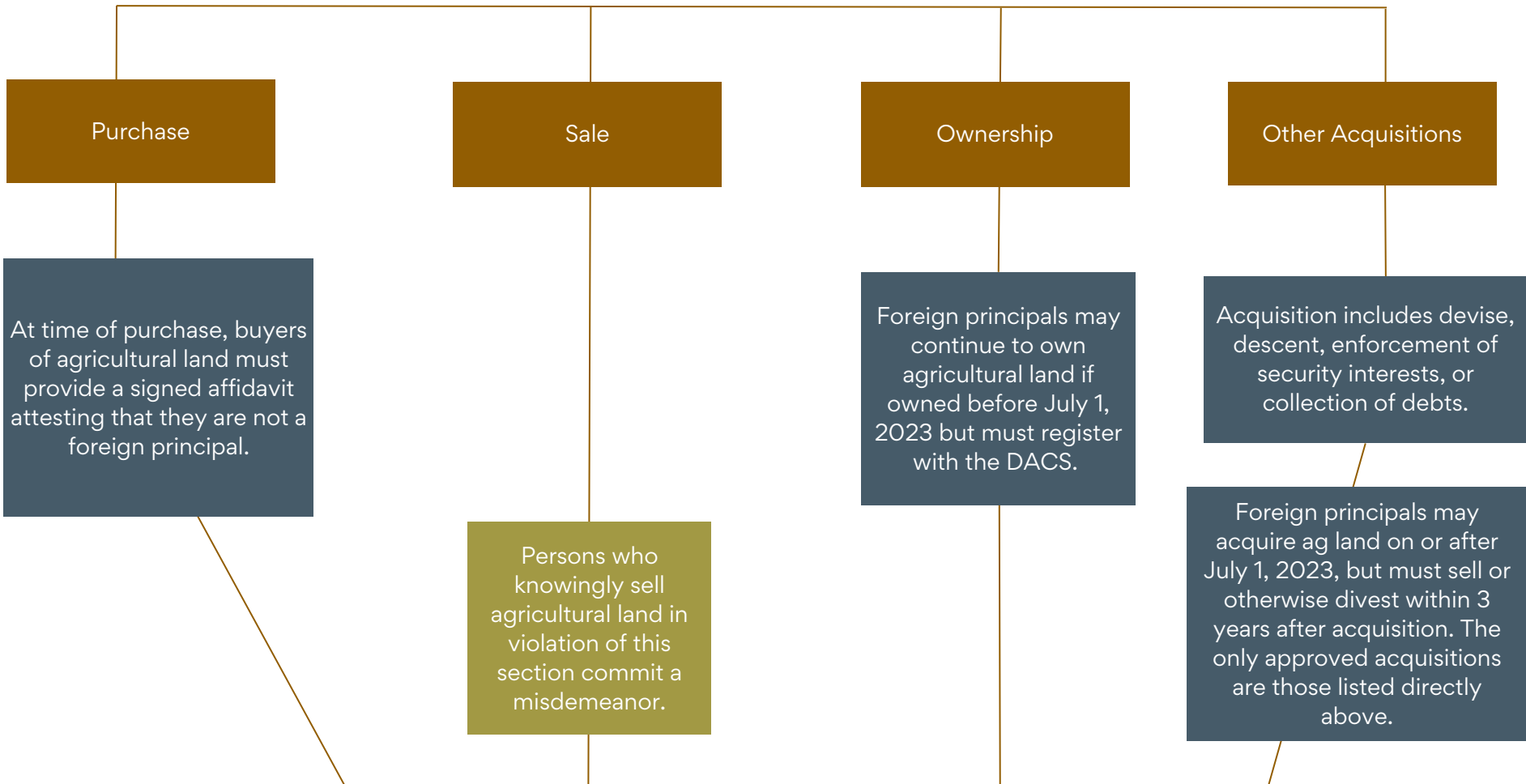
Definitions:

- **Agricultural land** means land classified as agricultural in s.193.461, F.S. (bona fide agricultural purposes).
- **Critical infrastructure facility** means any of the following, if it employs measures such as fences, barriers, or guard posts that are designed to exclude unauthorized persons:
 - A chemical manufacturing facility; a refinery; an electrical power plant as defined in s. 403.031(20); water treatment facility or wastewater treatment plant; a liquid natural gas terminal; a telecommunications central switching office; a gas processing plant, including a plant used in the processing, treatment, or fractionation of natural gas; a seaport as listed in s. 311.09; a spaceport territory as defined in s. 331.303(18); and an airport as defined in s. 333.01.
- **Foreign countries of concern** means the People's Republic of China, the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the Venezuelan regime of Nicolás Maduro, or the Syrian Arab Republic, including any agency of or any other entity of significant control of such foreign country of concern.
- **Foreign entity** means an entity that is owned or controlled by the government of a foreign country of concern; or a partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country of concern, or a subsidiary of such entity.
- **Foreign principal** means:
 - The government or any official of the government of a foreign country of concern;
 - A political party or member of a political party or any subdivision of a political party in a foreign country of concern;
 - A partnership, association, corporation, organization, or other combination of persons organized under the laws of, or having its principal place of business in, a foreign country of concern, or a subsidiary of such entity;
 - *Any person who is domiciled in a foreign country of concern and is not a citizen or lawful permanent resident of the United States; or*
 - Any person, entity, or collection of persons or entities, described above having a controlling interest in a partnership, association, corporation, organization, trust, or any other legal entity or subsidiary formed for the purpose of owning real property in this state.
- **Military installation** means a base, camp, post, station, yard, or center encompassing at least 10 contiguous acres that is under the jurisdiction of the Department of Defense or its affiliates.
- **"Persons or entities associated with the PRC"** means the following entities may not directly or indirectly own, have a controlling interest in, or acquire by purchase, grant, devise, or descent any interest, except a de minimus indirect interest, in real property in this state:
 - The People's Republic of China, the Chinese Communist Party, or any official or member of the People's Republic of China or the Chinese Communist Party;
 - Any other political party or member of a political party or a subdivision of a political party in the People's Republic of China;
 - A partnership, an association, a corporation, an organization, or any other combination of persons organized under the laws of or having its principal place of business in the People's Republic of China, or a subsidiary of such entity;
 - *Any person who is domiciled in the People's Republic of China and who is not a citizen or lawful permanent resident of the United States; or*
 - Any person, entity, or collection of persons or entities described above having a controlling interest in a partnership, association, corporation, organization, trust, or any other legal entity or subsidiary formed for the purpose of owning real property in this state.
- **Real property** means land, buildings, fixtures, and all other improvements to land.



SB 264

Purchase, Sale, Ownership, and Acquisition of Agricultural Land

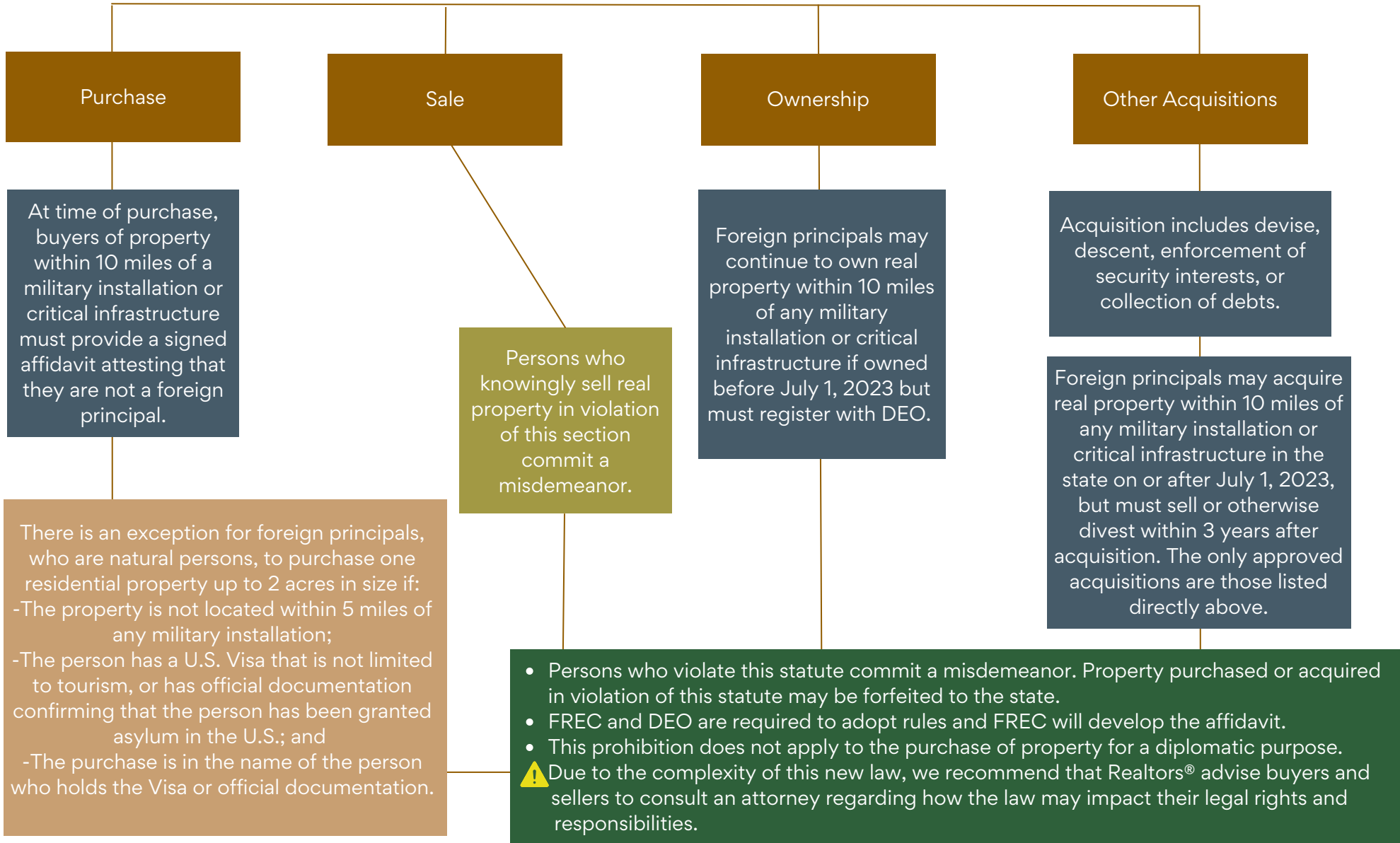


- Persons who violate this statute commit a misdemeanor. Property purchased or acquired in violation of this statute may be forfeited to the state.
- FREC and DACS are required to adopt rules and FREC will develop the affidavit.
- This prohibition does not apply to the purchase of property for a diplomatic purpose.
- ⚠ Due to the complexity of this new law, we recommend that Realtors® advise buyers and sellers to consult an attorney regarding how the law may impact their legal rights and responsibilities.



SB 264

Purchase, Sale, Ownership, and Acquisition of Real Property Near Military Installations and Critical Infrastructure



Purchase

Sale

Ownership

Other Acquisitions

At time of purchase, buyers of property within 10 miles of a military installation or critical infrastructure must provide a signed affidavit attesting that they are not a foreign principal.

There is an exception for foreign principals, who are natural persons, to purchase one residential property up to 2 acres in size if:

- The property is not located within 5 miles of any military installation;
- The person has a U.S. Visa that is not limited to tourism, or has official documentation confirming that the person has been granted asylum in the U.S.; and
- The purchase is in the name of the person who holds the Visa or official documentation.

Persons who knowingly sell real property in violation of this section commit a misdemeanor.

Foreign principals may continue to own real property within 10 miles of any military installation or critical infrastructure if owned before July 1, 2023 but must register with DEO.

Acquisition includes devise, descent, enforcement of security interests, or collection of debts.

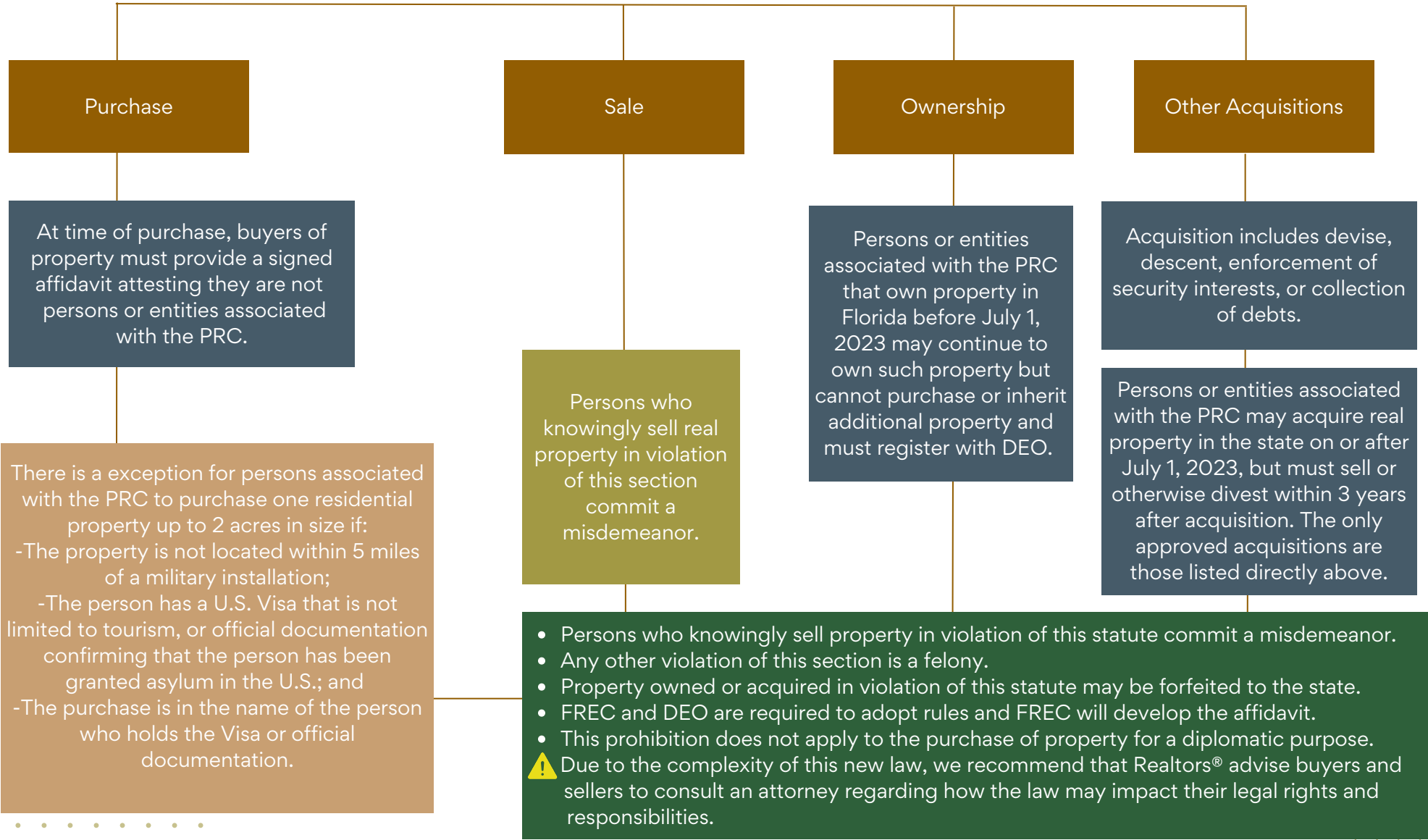
Foreign principals may acquire real property within 10 miles of any military installation or critical infrastructure in the state on or after July 1, 2023, but must sell or otherwise divest within 3 years after acquisition. The only approved acquisitions are those listed directly above.

- Persons who violate this statute commit a misdemeanor. Property purchased or acquired in violation of this statute may be forfeited to the state.
- FREC and DEO are required to adopt rules and FREC will develop the affidavit.
- This prohibition does not apply to the purchase of property for a diplomatic purpose.
- ⚠ Due to the complexity of this new law, we recommend that Realtors® advise buyers and sellers to consult an attorney regarding how the law may impact their legal rights and responsibilities.



SB 264

Purchase, Sale, Ownership, and Acquisition of Real Property by People's Republic of China (PRC)



Purchase

Sale

Ownership

Other Acquisitions

At time of purchase, buyers of property must provide a signed affidavit attesting they are not persons or entities associated with the PRC.

There is a exception for persons associated with the PRC to purchase one residential property up to 2 acres in size if:
-The property is not located within 5 miles of a military installation;
-The person has a U.S. Visa that is not limited to tourism, or official documentation confirming that the person has been granted asylum in the U.S.; and
-The purchase is in the name of the person who holds the Visa or official documentation.

Persons who knowingly sell real property in violation of this section commit a misdemeanor.

- Persons who knowingly sell property in violation of this statute commit a misdemeanor.
- Any other violation of this section is a felony.
- Property owned or acquired in violation of this statute may be forfeited to the state.
- FREC and DEO are required to adopt rules and FREC will develop the affidavit.
- This prohibition does not apply to the purchase of property for a diplomatic purpose.
- ⚠ Due to the complexity of this new law, we recommend that Realtors® advise buyers and sellers to consult an attorney regarding how the law may impact their legal rights and responsibilities.

Persons or entities associated with the PRC that own property in Florida before July 1, 2023 may continue to own such property but cannot purchase or inherit additional property and must register with DEO.

Acquisition includes devise, descent, enforcement of security interests, or collection of debts.

Persons or entities associated with the PRC may acquire real property in the state on or after July 1, 2023, but must sell or otherwise divest within 3 years after acquisition. The only approved acquisitions are those listed directly above.