

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 139

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY SENATOR HUGHES

Introduced: 4/2/25

Referred: Resources, Judiciary

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to who may own or hold certain land; relating to certain agreements**
2 **having to do with critical infrastructure; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 34 is amended by adding a new chapter to read:

5 **Chapter 87. Holding of Land by Nonresident Persons.**

6 **Sec. 34.87.010. Persons prohibited from acquiring or leasing land within**
7 **100 miles of a military installation in the state.** (a) Except as provided in (c) of this
8 section, a person or entity listed in AS 34.87.040(a) may not purchase, lease, or
9 otherwise acquire land in the state that is within 100 miles of a military installation.

10 (b) Land purchased, leased, or otherwise acquired in violation of (a) of this
11 section is subject to forfeiture by the attorney general as authorized under
12 AS 34.87.020. However, title to land may not be invalidated and land may not be
13 forfeited under this section because a prior owner or holder of the land violated this
14 section.

1 (c) This section does not apply to

2 (1) a lease of residential property or a dwelling unit;

3 (2) the purchase, lease, or acquisition of land by a person who is a
4 United States citizen and a citizen of a country designated by the United States
5 Secretary of Commerce as a foreign adversary under 15 C.F.R. 791.4.

6 (d) In this section,

7 (1) "dwelling unit" has the meaning given in AS 34.03.360;

8 (2) "military installation" means a base, camp, post, station, yard,
9 center, homeport facility for a ship, armory, or other installation under the jurisdiction
10 of the United States Department of Defense, the United States Coast Guard, the
11 Alaska National Guard, the Alaska Naval Militia, or the Alaska State Defense Force.

12 **Sec. 34.87.020. Investigation and enforcement of violations of**
13 **AS 34.87.010.** (a) If the attorney general receives evidence of a probable violation of
14 AS 34.87.010, the attorney general shall investigate the alleged violation.

15 (b) The attorney general shall bring an action for forfeiture of an interest in
16 land held in violation of AS 34.87.010 in the judicial district in which the land is
17 located. The attorney general shall record in the recording district in which the land is
18 located a certificate containing the caption and case number of the action and a
19 description of the land. If the court finds that an interest in land in the state is acquired,
20 owned, or held in violation of AS 34.87.010, the court may enter a judgment of
21 forfeiture vesting title to the land in the state, subject to any outstanding liens. The
22 attorney general shall record a certified copy of the court's judgment under this
23 subsection in the recording district in which the land is located. The following apply to
24 a forfeiture proceeding following the court's entering of a judgment of forfeiture under
25 this section:

26 (1) the attorney general shall, if warranted, request the court to appoint
27 a receiver to take over and manage the land before its sale;

28 (2) the attorney general, with the assistance of the Department of
29 Natural Resources, shall sell the land under AS 38.05;

30 (3) when the land is sold, the attorney general shall disburse the
31 proceeds of the sale to lienholders, in an order of priority determined by the

1 lienholders, except for liens that, under the terms of the judgment of forfeiture, are to
2 remain on the property;

3 (4) a lienholder may bid the lienholder's credit, in an amount that is not
4 more than the amount owed to the lienholder on the date of the sale, as determined by
5 the court in the judgment of forfeiture for the property; and

6 (5) no portion of the proceeds may be distributed to the person from
7 whom the land was forfeited, and all proceeds shall be deposited in the general fund.

8 (c) A person may not be held civilly or criminally liable for failing to
9 determine or inquire whether another person is prohibited from acquiring or leasing
10 land under AS 34.87.010.

11 (d) A forfeiture under this section does not void, invalidate, or otherwise
12 extinguish any bona fide mortgage, lien, or other interest granted by, through, or under
13 the person from whom the land was forfeit.

14 **Sec. 34.87.030. Right of nonresident alien to acquire, hold, and convey**
15 **land.** (a) Except as provided in AS 34.87.010 and 34.87.040, a person who is a
16 nonresident alien, whether the person resides in the United States or a foreign country,
17 may

18 (1) acquire real estate by purchase, devise, or descent;

19 (2) hold and enjoy real estate; and

20 (3) convey, devise, transmit, mortgage, or otherwise encumber real
21 estate in the same manner and with the same effect as citizens of the United States.

22 (b) The title of any real estate inherited, mortgaged, conveyed, or devised is
23 not affected by the alienage of a person from or through whom the title is claimed or
24 derived.

25 **Sec. 34.87.040. Limitations on the ownership of agricultural land.** (a)
26 Except as provided in (c) and (d) of this section, the following persons may not,
27 directly or indirectly, acquire or lease an interest prohibited under (b) of this section in
28 agricultural land in the state:

29 (1) a person who is a citizen of a country designated as a foreign
30 adversary by the United States Secretary of Commerce under 15 C.F.R. 791.4; or

31 (2) a foreign business entity that is

1 (A) wholly owned by, or the majority of stock or other
2 ownership interest of the foreign business entity is held or controlled by,

3 (i) persons who are citizens of a country designated as a
4 foreign adversary by the United States Secretary of Commerce under
5 15 C.F.R. 791.4;

6 (ii) a business entity or other entity, including a
7 governmental entity, that is owned or controlled by citizens of, or is
8 directly controlled by the government of, a person or country
9 designated as a foreign adversary by the United States Secretary of
10 Commerce under 15 C.F.R. 791.4; or

11 (B) headquartered in a country that the United States Secretary
12 of Commerce has designated as a foreign adversary under 15 C.F.R. 791.4.

13 (b) Except as provided in (c) and (d) of this section, a person listed under (a)
14 of this section may not

15 (1) acquire by grant, purchase, devise, descent, or otherwise acquire

16 (A) an interest in agricultural land located in the state; or

17 (B) mineral, water, or riparian rights on or in agricultural land
18 located in the state;

19 (2) lease

20 (A) agricultural land located in the state; or

21 (B) mineral, water, or riparian rights on or in any agricultural
22 land located in the state.

23 (c) This section does not apply to a person who is a United States citizen and a
24 citizen of a country designated by the United States Secretary of Commerce as a
25 foreign adversary under 15 C.F.R. 791.4.

26 (d) Notwithstanding the limitations of this section, a person listed under (a) of
27 this section may continue leasing, or renew a lease of, agricultural land, if the person
28 leased the land before July 1, 2025, and the acreage and land subject to the lease does
29 not change.

30 (e) A person may not be held civilly or criminally liable for failing to
31 determine or inquire whether another person is subject to this section.

(f) A purchase, acquisition, or lease of agricultural land in violation of this section is subject to forfeiture by the attorney general as authorized under AS 34.87.050.

Sec. 34.87.050. Investigation and enforcement of violations of AS 34.87.040. (a) If the attorney general receives evidence of a probable violation of AS 34.87.040, the attorney general shall investigate the alleged violation and may issue subpoenas to require the attendance of witnesses or the production of documents or other physical evidence, administer oaths, and conduct hearings to aid an investigation or inquiry. Service of an order or subpoena must be made in the same manner as a summons in a civil action in the superior court.

(b) The attorney general shall bring an action for forfeiture of an interest in agricultural land held in violation of AS 34.87.040 in the judicial district in which the agricultural land is located. The attorney general shall record in the recording district in which the agricultural land is located a certificate containing the caption and case number of the action and a description of the agricultural land. If the court finds that an interest in agricultural land in the state is acquired, owned, or held in violation of AS 34.87.040, the court may enter a judgment of forfeiture vesting title to the agricultural land in the state, subject to any outstanding liens. The attorney general shall record a certified copy of the court's judgment under this subsection in the recording district in which the agricultural land is located. The following apply to a forfeiture proceeding following the court's entering of a judgment of forfeiture under this section:

(1) the attorney general shall, if warranted, request the court to appoint a receiver to take over and manage the agricultural land before its sale;

(2) the attorney general, with the assistance of the Department of Natural Resources, shall sell the land under AS 38.05;

(3) when the agricultural land is sold, the attorney general shall disburse the proceeds of the sale to lienholders, in the order of priority determined by the lienholders, except for liens that, under the terms of the judgment of forfeiture, are to remain on the property;

(4) a lienholder may bid the lienholder's credit, in an amount that is not

1 more than the amount owed to the lienholder on the date of the sale, as determined by
 2 the court in the judgment of forfeiture for the property; and

3 (5) no portion of the proceeds may be distributed to the person from
 4 whom the agricultural land was forfeited, and all proceeds shall be deposited in the
 5 general fund.

6 (c) A person may not be held civilly or criminally liable for failing to
 7 determine or inquire whether another person is prohibited from acquiring or leasing
 8 land under AS 34.87.040.

9 (d) Title to agricultural land may not be invalidated and agricultural land may
 10 not be forfeited under this section because a prior owner or holder of the agricultural
 11 land violated AS 34.87.040.

12 (e) A forfeiture under this section does not void, invalidate, or otherwise
 13 extinguish any bona fide mortgage, lien, or other interest granted by, through, or under
 14 the person from whom the land was forfeit.

15 **Sec. 34.87.090. Definitions.** In this chapter,

16 (1) "agricultural land" means land used for crop farming, timber
 17 production, or pasture;

18 (2) "crop farming" means the cultivation of land for the production of
 19 plants or plant products that can be grown and harvested exclusively for profit or
 20 subsistence;

21 (3) "foreign business entity" includes

22 (A) a corporation, professional corporation, nonprofit
 23 corporation, limited liability company, partnership, limited partnership that is
 24 organized under the laws of another country, or similar entity; and

25 (B) an agent, trustee, or fiduciary of the entity.

26 * **Sec. 2.** AS 45 is amended by adding a new chapter to read:

27 **Chapter 46. Critical Infrastructure Agreements.**

28 **Sec. 45.46.010. Restrictions on critical infrastructure agreements with**
 29 **certain companies.** (a) A person, state agency, or political subdivision of the state
 30 may not enter into an agreement relating to a critical infrastructure facility in the state
 31 with a company if

1 (1) the company would be able to directly or remotely access or
 2 control the facility or a cybersecurity system related to the facility under the
 3 agreement; and

4 (2) the company is

5 (A) owned by, or the majority of stock or other ownership
 6 interest of the company is held or controlled by,

7 (i) persons who are citizens of a country designated by
 8 the United States Secretary of Commerce as a foreign adversary under
 9 15 C.F.R. 791.4; or

10 (ii) a company or other entity, including a governmental
 11 entity, that is owned or controlled by citizens of, or is directly
 12 controlled by the government of, a country designated by the United
 13 States Secretary of Commerce as a foreign adversary under 15 C.F.R.
 14 791.4; or

15 (B) headquartered in a country designated by the United States
 16 Secretary of Commerce as a foreign adversary under 15 C.F.R. 791.4.

17 (b) This section applies to a company regardless of whether

18 (1) the company's securities, or the securities of its parent company,
 19 are publicly traded; or

20 (2) the company or the company's parent company is listed on a public
 21 stock exchange as a company headquartered in a country designated by the United
 22 States Secretary of Commerce as a foreign adversary under 15 C.F.R. 791.4.

23 (c) In this section,

24 (1) "company" means a person, other than an individual, organized for
 25 business or profit-making purposes;

26 (2) "critical infrastructure facility"

27 (A) includes

28 (i) a facility used for manufacturing, mineral
 29 exploration, steel making, refining, hazardous waste, transmission and
 30 storage of electricity, water treatment, communications, transportation,
 31 or the storage or transport of oil, gas, or other minerals;

(ii) a dam or reservoir regulated by the Department of Natural Resources, port, railway, railroad switching yard, or trucking terminal;

(iii) a facility used by the industry or a utility;

(iv) a facility whose owner or operator is required to submit a risk management plan under 42 U.S.C. 7412(r) (Chemical Safety Information, Site Security and Fuels Regulatory Relief Act) or that is regulated under United States Department of Homeland Security Chemical Facility Anti-Terrorism Standards; and

(v) a military installation;

(B) does not include

(i) land, an easement, or a right-of-way that is not completely enclosed, posted, and maintained by an electric or natural gas utility; or

(ii) a railroad track that is not part of a railroad switching yard;

(3) "cybersecurity system" means a system designed to protect a computer, computer network, computer system, or other technology infrastructure against unauthorized use or access;

(4) "military installation" has the meaning given in AS 34.87.010(d).

* **Sec. 3.** This Act takes effect July 1, 2025.