

§ 64-63. (Effective April 1, 2027) Prohibited foreign party acquisition of certain lands prohibited.

(a) Notwithstanding any provision of law to the contrary, no prohibited foreign party shall purchase, acquire, lease, or hold any direct interest in the following:

- (1) Agricultural land.
- (2) Property situated within a 50-mile radius of a military installation.

(b) A prohibited foreign party shall not acquire by grant, purchase, devise, descent, or otherwise any interest, other than a de minimis direct interest, in land described in subsection (a) of this section in this State regardless of how the prohibited foreign party intends to use the land. A party may not knowingly hold land as an agent, trustee, or other fiduciary for a prohibited foreign party in violation of this section. A prohibited foreign party that acquires land in violation of this section remains in violation as long as the prohibited foreign party holds an interest in the land.

(c) A prohibited foreign party that has acquired any direct interest in land described in subsection (a) of this section in this State prior to the effective date of this section, or prior to the country of residence being added to 22 C.F.R. § 126.1(d), may continue to own or hold that interest, but may not acquire by grant, purchase, devise, descent, or otherwise, any additional interest in land described in subsection (a) of this section in this State and must register with the Secretary of State. The Secretary of State shall maintain a report, updated monthly, of those prohibited foreign parties that have registered, and the report shall be a public record and be accessible on the Secretary of State's website. The Secretary of State shall establish a registration form for the purposes of this subsection and the form shall include at least the following:

- (1) The name of the owner of the land or the owner of the interest in the land.
- (2) The address of the land and the parcel identification number.
- (3) The number of acres of the land.
- (4) The mailing address of the owner of the land.
- (5) The country or state of incorporation of the owner of the property or the owner of the interest in the property.

(d) The Secretary of State will provide the registry to the Attorney General's office one year from the effective date of this act and every six months thereafter, and the Attorney General shall enforce the payment of the civil fine as provided by this subsection. A prohibited foreign party that fails to timely file a registration with the Secretary of State is subject to a civil penalty of not less than one thousand dollars (\$1,000) for each day that the registration is late, the clear proceeds of which shall be remitted to the Civil Penalty and Forfeiture Fund, in accordance with G.S. 115C-457.2. The unpaid balance of any penalties assessed under this subsection shall constitute a lien against the land if a Notice of Foreign Ownership Violation Lien has been recorded by the Attorney General in the office of the register of deeds in the county where the property is located, and the lien shall have priority from the date and time of recordation and shall be enforced by the Attorney General.

(e) A prohibited foreign party that acquires land described in subsection (a) of this section on or after the effective date of this section, by devise or descent, through the enforcement of security interests, or through the collection of debts, other than a de minimis direct interest, shall sell, transfer, or otherwise divest itself of the land within one year after acquiring the land.

(f) At a time no later than the time of closing, a buyer of any direct interest in land described in subsection (a) of this section shall provide an affidavit signed under penalty of perjury attesting that the buyer is (i) not a prohibited foreign party and (ii) in compliance with the requirements of this section. The affidavit is not required to be notarized and shall be attached as an exhibit to the deed or other document that conveys an ownership interest in the land. No affidavit is required to be attached to a deed of trust, mortgage, assignment of rents, security interest, or other lien securing payment or performance of an obligation under this section by (i) a

federally or state chartered bank, savings institution, or credit union, (ii) a licensed mortgage lender or servicer, (iii) a governmental or quasi-governmental lending agency, or (iv) an entity subject to federal anti-money laundering and suspicious activity reporting requirements under the Bank Secrecy Act. The failure to obtain or maintain the affidavit shall not affect the title or insurability of the title for the land. The North Carolina Real Estate Commission shall establish the form for the affidavit required under this subsection.

(g) Upon receipt of information that leads the Attorney General to believe that a prohibited foreign party has not divested itself of the land described in subsection (a) of this section as required under subsection (e) of this section, the Attorney General shall enforce a violation of this section by commencing a receivership proceeding in the county where the property is situated under Article 38A of Chapter 1 of the General Statutes seeking the appointment of a general receiver pursuant to G.S. 1-507.24(e1). Any interest in real property acquired or held in violation of this section shall be subject to divestiture pursuant to G.S. 64-64.

(h) A violation of this section by a prohibited foreign party may, at the discretion of the noteholder, be deemed a default under a loan, mortgage, or deed of trust and shall provide the lender the automatic right to trigger default on the loan, mortgage, or deed of trust.

(i) The responsibility for determining whether any entity is subject to this Article, pursuant to either civil or criminal law, rests solely with the Prohibited Foreign Party and the State of North Carolina and no other individual or entity.

(j) Title to land described in subsection (a) of this section is not invalid or subject to divestiture due to a violation of this section by any former owner or any other person holding or owning a former interest in the land described in subsection (a) of this section.

(k) Except as provided in subsection (l) of this section, no individual, real estate broker, or any other entity, other than a prohibited foreign party, shall bear any civil or criminal liability for any of the following:

- (1) Failing to determine or make inquiry of whether any entity is a prohibited foreign party.
- (2) Failing to obtain, maintain, or otherwise comply with the affidavit requirements provided by subsection (f) of this section.

(l) A party who knowingly sells an interest in land described in subsection (a) of this section in violation of this section or who has actual knowledge that the transaction will result in a violation of subsection (a) of this section but aids and abets a party in knowingly selling an interest in land described in subsection (a) of this section shall be guilty of a Class 2 misdemeanor.

(m) This Article does not create or authorize a private right of action to enforce the provisions of this Article. (2026-54, s. 1.)