

118TH CONGRESS
1ST SESSION

S. _____

To amend the Agricultural Foreign Investment Disclosure Act of 1978 to remove the limitation on the amount of a civil penalty, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Ms. BALDWIN introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Agricultural Foreign Investment Disclosure Act of 1978 to remove the limitation on the amount of a civil penalty, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Farmland Security Act
5 of 2023”.

6 **SEC. 2. IMPROVING AGRICULTURAL FOREIGN INVESTMENT**
7 **DISCLOSURE.**

8 (a) CIVIL PENALTY.—Section 3 of the Agricultural
9 Foreign Investment Disclosure Act of 1978 (7 U.S.C.
10 3502) is amended—

1 (1) in subsection (a), by striking the second
2 sentence;

3 (2) in subsection (b)—

4 (A) by striking “The amount” and insert-
5 ing “Except as provided in subsection (c), the
6 amount”; and

7 (B) by striking “Act,” and all that follows
8 through the period at the end and inserting
9 “Act.”; and

10 (3) by adding at the end the following:

11 “(c) PENALTY FOR SHELL CORPORATIONS.—

12 “(1) DEFINITION OF SHELL CORPORATION.—In
13 this subsection, the term ‘shell corporation’ means a
14 corporation, company, association, firm, partnership,
15 society, joint stock company, trust, estate, or any
16 other legal entity that has no or nominal operations.

17 “(2) AMOUNT OF PENALTY.—The amount of a
18 civil penalty under subsection (a) for a foreign-
19 owned shell corporation, as determined by the Sec-
20 retary, shall be 100 percent of the fair market value,
21 on the date of the assessment of the penalty, of the
22 interest in agricultural land with respect to which
23 the violation occurred.

24 “(3) NONAPPLICATION OF PENALTY.—A shell
25 corporation shall not be subject to a civil penalty

1 under this section if the shell corporation remedies
2 a defective filing or failure to file not later than 60
3 days after the Secretary provides notice to the shell
4 corporation of the defective filing or failure to file.”.

5 (b) INVESTIGATIVE ACTIONS.—Section 4 of the Agri-
6 cultural Foreign Investment Disclosure Act of 1978 (7
7 U.S.C. 3503) is amended—

8 (1) by striking “The Secretary” and inserting
9 the following:

10 “(a) IN GENERAL.—The Secretary”; and

11 (2) by adding at the end the following:

12 “(b) AUDIT.—The Secretary shall conduct an annual
13 compliance audit of not less than 10 percent of the reports
14 submitted under section 2 for the year covered by the
15 audit to ensure the completeness and accuracy of reports
16 submitted under that section.

17 “(c) TRAINING.—The Secretary shall provide annual
18 training to State and county-level personnel relating to
19 identifying agricultural land for which—

20 (1) a report is required to be submitted under
21 section 2; but

22 (2) no report has been submitted by the appli-
23 cable foreign person.”.

1 (c) REPORTS.—Section 6 of the Agricultural Foreign
2 Investment Disclosure Act of 1978 (7 U.S.C. 3505) is
3 amended—

4 (1) by striking the section designation and
5 heading and all that follows through “Not later
6 than” and inserting the following:

7 **“SEC. 6. REPORTS.**

8 “(a) TO STATES.—Not later than”; and

9 (2) by adding at the end the following:

10 “(b) TO CONGRESS.—

11 “(1) IN GENERAL.—Not later than 180 days
12 after the date of enactment of the Farmland Secu-
13 rity Act of 2023, and annually thereafter, the Sec-
14 retary shall submit to Congress a report describing
15 the results of the research carried out under para-
16 graph (2).

17 “(2) RESEARCH.—The Secretary shall carry out
18 research on—

19 “(A) the agricultural leasing activities in
20 the United States of foreign persons, including
21 the impact of those activities on family farms,
22 rural communities, and the domestic food sup-
23 ply;

1 “(B) trends relating to the purchase of ag-
2 ricultural land in the United States by foreign-
3 owned shell corporations; and

4 “(C) foreign ownership of agricultural pro-
5 duction capacity and foreign participation in
6 agricultural economic activity in the United
7 States.”.

8 (d) AUTHORIZATION OF APPROPRIATIONS.—The Ag-
9 ricultural Foreign Investment Disclosure Act of 1978 (7
10 U.S.C. 3501 et seq.) is amended by adding at the end
11 the following:

12 **“SEC. 11. AUTHORIZATION OF APPROPRIATIONS.**

13 “There is authorized to be appropriated to the Sec-
14 retary to carry out this Act \$2,000,000 for each of fiscal
15 years 2023 through 2028.”.