

2023 Regular Session

HOUSE BILL NO. 537

BY REPRESENTATIVE HODGES

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

CONTRACTS: Provides for a prohibition against foreign adversary purchasing, leasing, or acquiring land

1 AN ACT

2 To enact R.S. 9:2717.1, relative to contracts; to provide relative to foreign adversaries or
3 persons connected with foreign adversaries; to prohibit the acquisition of immovable
4 property; to provide for prospective application; to provide for actions and
5 investigations by the attorney general; to provide for attorney fees and court costs;
6 to provide relative to judgments; to provide for civil forfeiture; to provide for
7 exceptions; to provide for definitions; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 9:2717.1 is hereby enacted to read as follows:

10 §2717.1. Prohibition of acquisition of immovable property by a foreign adversary
11 or a person connected with a foreign adversary

12 A. Beginning August 1, 2023, the following shall apply:

13 (1) No foreign adversary or person connected with a foreign adversary may
14 purchase, lease, or otherwise acquire immovable property in this state.

15 (2) A party to the contract to purchase, lease, or otherwise acquire
16 immovable property may rescind the contract prior to the transfer of the immovable
17 property if the party determines that the purchaser or lessee is a foreign adversary or
18 a person connected with a foreign adversary.

19 (3) The provisions of this Section are applicable to contracts to purchase,
20 lease, or otherwise acquire immovable property from and after August 1, 2023.

1 These provisions are not applicable to existing contracts to purchase, lease, or
2 otherwise acquire immovable property prior to August 1, 2023.

3 B.(1) The attorney general may bring an action for injunctive relief in the
4 name of the state against the foreign adversary or the person connected with a
5 foreign adversary to restrain and enjoin the sale prior to the transfer of the
6 immovable property.

7 (2) If the transfer of the property has been completed, the attorney general
8 may bring an action in the name of the state against the foreign adversary or a person
9 connected with a foreign adversary.

10 (3) Any action by the attorney general may be brought in the district court
11 having civil jurisdiction in any parish in which a portion of the immovable property
12 is located and the attorney general may recover reasonable attorney fees and court
13 costs.

14 (4)(a) The attorney general may open an investigation if all of the following
15 exists:

16 (i) The attorney general has evidence that a foreign adversary or a person
17 connected with a foreign adversary is attempting to enter into, conspiring to enter
18 into, or has entered into a contract to purchase, lease, or otherwise acquire
19 immovable property in this state.

20 (ii) The attorney general believes it to be in the public interest that an
21 investigation needs to be made to ascertain whether a foreign adversary or a person
22 connected with a foreign adversary in fact is attempting to enter into, conspiring to
23 enter into, or has entered into a contract to purchase, lease, or otherwise acquire
24 immovable property in this state.

25 C.(1) If the court finds that a foreign adversary or person connected with a
26 foreign adversary has purchased, leased, or otherwise acquired property in Louisiana
27 after August 1, 2023, the court may order one of the following:

28 (a) Order that the property be sold to someone who is not a foreign adversary
29 or to a person that is not connected to a foreign adversary.

1 (b) Order that the property be sold at a judicial sale. The sheriff shall make
2 a reasonable effort to determine that the buyer at the judicial sale is not a foreign
3 adversary or person connected with a foreign adversary.

4 (2) The proceeds of the sale provided by this Subsection shall be considered
5 a civil asset forfeiture and the money shall be paid to the Department of Veterans
6 Affairs to fund services for veterans of foreign wars.

7 D.(1) All proceedings under this Section shall be made with due provisions
8 to protect the rights of any person who did not knowingly enter into or conspire to
9 enter into a transaction with the foreign adversary or person connected with the
10 foreign adversary.

11 (2) No mortgage, lien, privilege, or other security interest recognized under
12 the laws of this state and no ownership interest in indivision shall be affected by a
13 forfeiture pursuant to this Section if the owner of such mortgage, lien, privilege, or
14 other security interest, or owner in indivision who did not knowingly enter into or
15 conspire to enter into a transaction with the foreign adversary or person connected
16 with the foreign adversary.

17 (3) No forfeiture or disposition under this Section shall affect the rights of
18 any person who did not knowingly enter into or conspire to enter into a transaction
19 with the foreign adversary or person connected with the foreign adversary.

20 E. The failure to identify a buyer as a foreign adversary or the person
21 connected with a foreign adversary shall not create additional liability for any real
22 estate agent, title insurance producer, title insurance underwriter, lender, or
23 examining attorney nor shall it create a separate cause of action against any real
24 estate agent, title insurance producer, title insurance underwriter, lender, or
25 examining attorney.

26 F. For the purposes of this Section:

27 (1) "Foreign adversary" means an individual or a government identified as
28 a foreign adversary in 15 CFR 7.4(a) including the People's Republic of China and
29 the Hong Kong Special Administrative Region, Republic of Cuba, Islamic Republic

1 of Iran, Democratic People's Republic of Korea, Russian Federation, and Venezuela
 2 under the leadership of Nicolas Maduro.
 3 (2) "Person connected with a foreign adversary" means a person that is
 4 owned by, controlled by, or subject to the jurisdiction or direction of a foreign
 5 adversary or an individual acting on behalf of or in conjunction with a foreign
 6 adversary. It shall not include a person that is a legal permanent resident with lawful
 7 presence in the United States.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 537 Original

2023 Regular Session

Hodges

Abstract: Prohibits the purchase, lease, or otherwise acquisition of immovable property by foreign adversaries or persons connected with a foreign adversary.

Proposed law provides that beginning Aug. 1, 2023, no foreign adversary or person connected with a foreign adversary may purchase, lease, or acquire immovable property in this state. Proposed law further provides that parties to the contract with a foreign adversary may rescind the contract prior to the transfer of the immovable property if determined that the purchaser or lessee is a foreign adversary or a person connected with a foreign adversary.

Proposed law provides that proposed law is not applicable to existing contracts to purchase, lease, or otherwise acquire immovable property prior to Aug. 1, 2023.

Proposed law provides that the attorney general may bring an action for injunctive relief in the name of the state against a foreign adversary or the person connected with a foreign adversary prior to or after the transfer of property is complete.

Proposed law provides that venue shall be brought in the district court having civil jurisdiction in any parish in which a portion of the immovable property is located.

Proposed law provides that the attorney general may recover reasonable attorney fees and court costs.

Proposed law provides that the attorney general may open an investigation.

Proposed law provides that a court may order that the property be sold to someone who is not a foreign adversary or to a person that is not connected to a foreign adversary or sold at judicial sale.

Proposed law provides that any immovable acquired by a foreign adversary or person connected with a foreign adversary is subject to civil forfeiture to the state. The proceeds of the sale shall be paid to the Dept. of Veterans Affairs to fund services for veterans of foreign wars.

Proposed law provides that all forfeitures and dispositions under proposed law shall not affect the rights of any person who did not knowingly enter into or conspire to enter into a transaction with the foreign adversary or person connected with the foreign adversary.

Proposed law provides that proposed law shall not create additional liability or a separate cause of action for any real estate agent, title insurance producer, title insurance underwriter, lender, or examining attorney.

Proposed law defines "foreign adversary" and "person connected with a foreign adversary".

Present law (15 CFR 7.4(A)) provides that certain foreign governments or foreign non-government persons are significantly adverse to the national security of the U.S. and are considered foreign adversaries.

(Adds R.S. 9:2717.1)