

Senate Commerce Committee

Aaron Jones 271-2609

SB 162-FN, relative to restrictions on acquisition of ownership, controlling, and occupancy interests in real property by certain foreign principals on or around certain military installations, and criminal penalties and civil forfeiture procedures for illegal acquisition.

Hearing Date: February 11, 2025

Time Opened: 9:52 a.m.

Time Closed: 10:20 a.m.

Members of the Committee Present: Senators Innis, Ricciardi, Murphy, McGough and Reardon

Members of the Committee Absent : Senator Fenton

Bill Analysis: This bill restricts foreign principals from countries of concern, or their agents, from acquiring ownership, controlling, or occupancy interests in real property within 10 miles of a protected facility.

This bill also establishes an affidavit filing requirement to confirm eligibility for acquiring such property interests and introduces criminal penalties and a forfeiture procedure for violations.

Sponsors:

Sen. Birdsell

Sen. Lang

Sen. Avard

Sen. Carson

Sen. Innis

Sen. Gannon

Sen. Pearl

Sen. McGough

Who supports the bill: 170 individuals were in support. Full sign in sheets are available upon request by contacting the Legislative Aide, Aaron Jones (aaron.jones@gc.nh.gov).

Who opposes the bill: Bonnie Bruno, Peg Sheets, Curtis Howland, James Gardner, Melissa Leonard, Anthony Ferrantello, Tia Fader, Stacie Jarvis, Suzee Bartlein, Sandra Rodrigues, Eric Maxwell, Anne Gates, Shannon Sanders

Who is neutral on the bill: Chris Norwood (NH Realtors), Alexander Gingerich

Summary of testimony presented in support:

Senator Regina Birdsell

- Last year, similar legislation passed the Senate unanimously. Through the Committee of Conference process, it was turned into a study committee.
- In 2021, a Chinese company, Fufeng, bought agriculture land in North Dakota within 20 minutes of Grand Forks Air Force Base. The Base serves as the backbone of global military communications across the globe, and it houses the nation's most sensitive military drone technology.
- While the Air Force did not oppose the purchase, a major at the base circulated concerns that drew bipartisan support. The U.S.-China Economic and Security Review Commission stated that the location of the land was convenient because the air traffic in and out of the base could be monitored.
- While Fufeng is not a state-owned enterprise, its Chairman previously participated in a provincial People's Congress.
- In 2017, the Chinese Communist Party (CCP) passed a national intelligence law allowing them to order citizens or companies to assist in intelligence work.
- Chinese citizens cannot own property because all land is owned by the state.
- Since 2017, federal officials have been investigating Chinese land purchases near critical infrastructure. Since then, a regional consulate has been shut down because there was an effort to plant listening devices near sensitive government and military facilities.
- According to the USDA Foreign Holdings of U.S. Agricultural Land, China owned 13,720 acres by the end of 2010. By the end of 2020, they owned 352,140 acres.
- Based on input from the study committee, this bill was narrower than previous legislation.
- Senator Birdsell asked the Deputy Adjutant General's Office about what facilities would be targets. The Office stated the State National Guard headquarters and the Army Aviation facility in Concord, the Regional Training Center in Pembroke, the Readiness 1907 Artillery Brigade in Manchester, and the National Guard facility at Pease. The Space Force facility in New Boston and the Portsmouth Naval Shipyard were added to the list. Maine has already protected their side of the Shipyard.
- The ban would be applicable to the CCP, Russia, North Korea, Iran, and Syria.
- This bill would require a buyer or leaser of a property, within 10 miles of these facilities, to fill out an affidavit attesting at the time of purchase that they are not a foreign principal or agent of a foreign principal, and they understand the prohibition and penalties.
- The affidavit would be provided to the Attorney General's Office. The buyer, not the seller or real estate agent, would verify the information. Similar to the lead paint affidavit, the real estate agent would provide the paperwork and send it to the AG's Office.

- Hawaii, Iowa, Minnesota, Mississippi, North Dakota and Oklahoma have already banned foreign ownership of farmland. Legislation has been introduced in Texas to prevent the malicious use of infrastructure.
- Senator Birdsell said she had received concerns from realtors about liability, so she would work on amending the bill to reiterate that realtors would not be liable. Additionally, they would require the form to be provided to the AG's Office, even if someone has refused to sign it.

David Dinwoodie, Defense Force Director, and Thaddeus Dickinson, Anti-Terrorism Program Manager, U.S. Space Force New Boston

- Mr. Dinwoodie said the foreign countries listed in Paragraph 2 posed a threat to their mission.
- If this bill were passed, Mr. Dinwoodie said it would provide a higher level of national security as well as make their facility more secure.
- Mr. Dickinson said their facility was the only active duty military installation in the state, and their mission is to command and win in space.
- This bill would be helpful in protecting assets that are vital to their success, our national security, and our way of life.

Chris Bond, Associate Attorney General, New Hampshire Attorney General's Office

- Unlike previous legislation, the definition of prohibited buyer was narrower. This change was made because other states have had their laws challenged. Also, the definition of critical infrastructure was narrowed to 10 facilities.
- Under this bill, forfeiture would be available if there were a criminal conviction for a violation.

Lily Tang Williams

- Ms. Tang Williams said she lived in Communist China until 1988.
- China posed a threat to the U.S. beyond just the purchasing of land.
- China is a one-party dictatorship, and the CCP has full control of everything.
- Regardless of whether a company or industry is private, they must turn over data in the name of national security.
- The CCP has made a push to expand internationally, and they have invented a term for it called the China Dream. The China Dream means the Chinese regime will become the dominant economic, military, technology, and diplomatic power in the world.
- Nearly 150 countries, including some in Europe, have partnered with the Bank of China.
- Confucius Institutes are funded by China to promote the Chinese language and culture. Until recently, Ms. Tang Williams said there was one at the University of New Hampshire.

- Ms. Tang Williams said China has been using their soft power to conquer the world. For example, China has begun purchasing private U.S. companies and land. To grow economically, they have entered the World Trade Organization.
- Ms. Tang Williams said the U.S. has been naïve, and China has taken advantage of our open and free society.
- Ms. Tang Williams said she has not seen her family for 10 years because she has been receiving death threats for speaking the truth.
- While she supported expanding the 10 miles, Ms. Tang Williams said this bill was a good first step.

Summary of testimony presented in opposition: None

Neutral Information Presented:

Chris Norwood, 2025 Vice Chair of the Public Policy Committee, New Hampshire Association of Realtors

- The Association was neutral on the bill because they had some concerns.
- On Page 3, Lines 5 to 6, a 10-mile radius would be around protected facilities.
 - This would include every building in downtown Concord, Manchester, and Portsmouth.
 - Mr. Norwood said there were a lot of affirmative disclosures included, and the realtors were weighing whether leasing needed to be included.
 - Mr. Norwood suggested reducing the 10-mile radius. If the mile-based metrics remained, Mr. Norwood asked the AG's Office to issue maps because it can be difficult to determine if a property would fall within the ring.
- There was confusion over the role of individuals, specifically realtors, on Page 3, Lines 23 to 27.
 - Since it is not the responsibility of the realtor to present the form, Mr. Norwood asked who would provide the enforcement mechanism. He asked if it would be the responsibility of the realtor to affirmatively note if an individual has refused to sign the form.
- Since there are smaller tenancies, Mr. Norwood appreciated mapping guidance and clarification on the role of realtors. If an individual has refused to sign a form, he asked if it would create liability for a realtor or a title agent.
- **Senator Reardon** said the actions were being taken care of post-closing. Advanced notice of radon, sewer and septic disposal, the production of methamphetamine, and public utility tariffs are required in advance at the time of a purchase and sale. She asked if it made sense to have some notification that would go with the purchase and sale, so when a property has been sold, everyone has been made aware that additional filings are required.
 - **Mr. Norwood** said they have had conversations on where disclosures should be, and RSA 477 would be the most likely location. If someone is

purchasing a property, and it falls within the map, a link will be provided to fill out the form. This would be disclosure to the buyer. The production of methamphetamine and lead paint are the two disclosures required when leasing real property. Presently, there is no standard disclosure form for leasing.

- **Senator Innis** asked if Mr. Norwood had discussed these concerns with Senator Birdsell.
 - **Mr. Norwood** said Bob Quinn had been in communication.

AJ

Date Hearing Report completed: February 14, 2025