

2025 Regular Session

SENATE BILL NO. 226

BY SENATOR HODGES AND REPRESENTATIVES AMEDEE AND OWEN

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

CONTRACTS. Prohibits foreign adversaries and prohibited foreign actors from participating in certain property transactions. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 9:2717.1(A), (B)(1), (2), (4), and (5), the introductory paragraph

3 of (C)(1) and (C)(1)(b), (D), (E), (F), (G), and (H) and to enact R.S. 9:2717.1(I), (J),

4 and (K), relative to foreign adversaries and prohibited foreign actors; to prohibit the

5 acquisition of certain immovable property; to prohibit certain transactions with

6 foreign adversaries and prohibited foreign actors; to provide for application; to

7 provide for actions and investigations by the attorney general; to provide for attorney

8 fees and court costs; to provide relative to judgments; to provide for civil forfeiture;

9 to provide for terms, conditions, and procedures; to provide for definitions; to

10 provide for an effective date; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 9:2717.1(A), (B)(1), (2), (4), (5), the introductory paragraph of

13 (C)(1), (C)(1)(b), (D), (E), (F), (G), and (H) are hereby amended and reenacted and R.S.

14 9:2717.1(I), (J), and (K) are hereby enacted to read as follows:

15 §2717.1. Prohibition of acquisition of immovable property by a foreign adversary or

16 a ~~person connected with a foreign adversary~~ **prohibited foreign**

17 **actor**

1           A.(1) No foreign adversary or ~~person connected with a foreign adversary~~  
2           **prohibited foreign actor** may purchase, lease, or otherwise acquire immovable  
3           property in this state.

4           (2) A party to a contract to purchase, lease, or otherwise acquire immovable  
5           property may rescind the contract prior to the transfer of the immovable property if  
6           the party determines that the purchaser or lessee is a foreign adversary or a ~~person~~  
7           ~~connected with a foreign adversary~~ **prohibited foreign actor**.

8           (3) The provisions of this Section are applicable to contracts entered into by  
9           a foreign adversary or ~~person connected with a foreign adversary~~ **a prohibited**  
10          **foreign actor** to purchase, lease, or otherwise acquire immovable property after  
11          August 1, 2023. These provisions are not applicable to existing contracts to purchase,  
12          lease, or otherwise acquire immovable property or the renewal of existing leases that  
13          were in place prior to August 1, 2023.

14          (4) A person may conclusively rely upon an affidavit made by a person  
15          intended to acquire or holding an interest in immovable property to the effect that the  
16          person is neither a foreign adversary nor a ~~person connected with a foreign adversary~~  
17          **prohibited foreign actor**, and the correctness of those facts may not be controverted  
18          against a person relying on the affidavit, unless actual fraud by such person is  
19          proved. A person who gives a false affidavit shall be responsible for any loss or  
20          damage suffered by any person whose rights are adversely affected.

21          (5) No seller or lessor shall be liable pursuant to this Section, except a foreign  
22          adversary or a ~~person connected with a foreign adversary~~ **prohibited foreign actor**  
23          that is required to forfeit or dispose of property pursuant to a court order as provided  
24          for in Subsection C of this Section.

25          B.(1) The attorney general may bring an action for injunctive relief in the  
26          name of the state against the foreign adversary or the ~~person connected with a~~  
27          ~~foreign adversary~~ **prohibited foreign actor** to enjoin the property transfer prior to  
28          the transfer of the immovable property. The attorney general shall serve the petition  
29          for injunctive relief upon all parties to the transaction.

1 (2) If the transfer or lease of the property has been completed, the attorney  
2 general may bring an action in the name of the state against the foreign adversary or  
3 ~~a person connected with a foreign adversary~~ **the prohibited foreign actor**.

4 \* \* \*

5 (4) The attorney general may open an investigation if any of the following  
6 exist:

7 (a) The attorney general has evidence that a foreign adversary or a ~~person~~  
8 ~~connected with a foreign adversary~~ **prohibited foreign actor** is attempting to enter  
9 into, conspiring to enter into, or has entered into a contract to purchase, lease, or  
10 otherwise acquire immovable property in this state.

11 (b) The attorney general believes it to be in the public interest that an  
12 investigation needs to be made to ascertain whether a foreign adversary or a ~~person~~  
13 ~~connected with a foreign adversary~~ **prohibited foreign actor** in fact is attempting  
14 to enter into, conspiring to enter into, or has entered into a contract to purchase,  
15 lease, or otherwise acquire immovable property in this state.

16 (5) If an action is brought pursuant to this Section, then no later than one  
17 business day after filing the action, the attorney general shall record in the public  
18 mortgage records of the parish clerk of court of each parish in which any portion of  
19 the immovable property is located a notice of pendency of the action pursuant to  
20 Code of Civil Procedure Article 3751 et seq. The institution of the action and the  
21 recordation of the notice of pendency of the action shall have no effect on persons  
22 obtaining rights in the immovable property prior to the recordation of the petition.  
23 The attorney general shall cause the notice of pendency of action to be cancelled  
24 from the mortgage records no later than one business day after judgment is rendered  
25 or after a request for cancellation is made by any interested party in connection with  
26 the transfer of the property to a person other than a foreign adversary or ~~person~~  
27 ~~connected with a foreign adversary~~ **prohibited foreign actor**. If the notice of  
28 pendency of action relates to a property interest vested in a foreign adversary or  
29 ~~person connected with a foreign adversary~~ **a prohibited foreign actor**, the attorney

1 general may petition the court for an order requiring the proceeds of the sale  
 2 attributable to the property interest of the foreign adversary or ~~person connected with~~  
 3 ~~a foreign adversary~~ **prohibited foreign actor** after the deduction of payments to  
 4 mortgagees, lienholders, person providing services in connection with the transfer  
 5 of the property, and credits to the purchaser relating to tax and other customary  
 6 prorations, to be deposited in the registry of the court in which the proceeding is  
 7 pending.

8 \* \* \*

9 C.(1) If the court finds that a foreign adversary or ~~person connected with a~~  
 10 ~~foreign adversary~~ **prohibited foreign actor** has purchased, leased, or otherwise  
 11 acquired property in Louisiana after August 1, 2023, the court may do one of the  
 12 following:

13 \* \* \*

14 (b) Order that the foreign adversary or ~~person connected with a foreign~~  
 15 ~~adversary's~~ **prohibited foreign actor** interest in the property be sold at a judicial sale  
 16 in accordance with the requirements of Code of Civil Procedure Article 2331 et seq.

17 \* \* \*

18 **D.(1) In addition to the remedies provided in Subsection C of this**  
 19 **Section, if a foreign adversary or a prohibited foreign actor violates the**  
 20 **provisions of this Section, the court may order a civil penalty of fifty thousand**  
 21 **dollars and forfeiture if the prohibited foreign actor does not divest itself of**  
 22 **immovable property acquired in violation of this Section within one year after**  
 23 **judgment is entered in this action.**

24 **(2) Any civil penalty collected pursuant to this Section shall be paid to**  
 25 **the attorney general to offset costs associated with enforcement of provisions**  
 26 **contained in this Section.**

27 **E. A court petitioned by the attorney general may issue additional orders**  
 28 **or render judgments against the foreign adversary or the prohibited foreign**  
 29 **actor as may be necessary to protect the public. The orders shall include but not**

1 be limited to the following:

2 (1) Revocation, forfeiture, or suspension of any license, charter,  
3 franchise, certificate, or other evidence of authority of any person to do business  
4 in the state.

5 (2) Appointment of a receiver.

6 (3) Dissolution of domestic corporations or associations.

7 (4) Suspension or termination of the right of foreign corporations or  
8 associations to do business in this state.

9 (5) Restitution to compensate any person who did not knowingly enter  
10 into a transaction with the foreign adversary or a prohibited foreign actor for  
11 any loss, expenses, court costs, or attorney fees which may have been incurred  
12 because of the sale being void or enjoined.

13 (6) Civil forfeiture of any immovable property that was acquired by the  
14 foreign adversary or the prohibited foreign actor in accordance with the  
15 provisions of this Section.

16 F.(1) The attorney general may serve an investigative demand or  
17 subpoena for deposition testimony to any person who is believed to have  
18 information, documentary material, or physical evidence relevant to the alleged  
19 or suspected attempt to enter into, or conspiracy to enter into, a contract to  
20 purchase, lease, or otherwise acquire immovable property in this state if all of  
21 the following exist:

22 (a) The attorney general has evidence that a foreign adversary or a  
23 prohibited foreign actor is attempting to enter into, conspiring to enter into, or  
24 has entered into a contract to purchase, lease, or otherwise acquire immovable  
25 property in this state.

26 (b) The attorney general believes it to be in the public interest that an  
27 investigation should be made to ascertain whether a foreign adversary or a  
28 prohibited foreign actor in fact is attempting to enter into, conspiring to enter  
29 into, or has entered into a contract to purchase, lease, or otherwise acquire

1           **immovable property in this state.**

2                   **(2)(a) The investigative demand or subpoena for deposition testimony**  
3                   **shall contain a description of the attempt to enter into, conspiracy to enter into,**  
4                   **or entering into a contract to purchase, lease, or otherwise acquire immovable**  
5                   **property in this state under investigation and shall require the person to**  
6                   **furnish, under oath or otherwise, a report in writing setting forth the relevant**  
7                   **facts and circumstances of which he has knowledge, or to produce relevant**  
8                   **documentary material or physical evidence for examination, at such reasonable**  
9                   **time and place as may be stated in the investigative demand that is the subject**  
10                   **matter of the investigation. Nonpublic personal information may be excluded**  
11                   **from the report, deposition, or other testimony.**

12                   **(b) Any subpoena for deposition testimony issued pursuant to this**  
13                   **Section shall include a notice informing the prospective deponent of the**  
14                   **deponent's right to counsel at the deposition with an opportunity for cross-**  
15                   **examination, and the deposition shall be conducted at the deponent's principal**  
16                   **place of business, deponent's place of residence, deponent's domicile, or if**  
17                   **agreeable to the deponent, at some other place convenient to the attorney**  
18                   **general and the deponent's attorney.**

19                   **(c) Any such deposition shall be held at a reasonable time, as may be**  
20                   **stated in the investigative subpoena. At any time before the return date**  
21                   **specified in the investigative demand or before the noticed deposition, or within**  
22                   **twenty days after the demand or deposition notice has been served, whichever**  
23                   **is shorter, a petition stating good cause for a protective order to extend the**  
24                   **return date, or to modify or set aside the demand or deposition notice, may be**  
25                   **filed in the district court having civil jurisdiction in the parish where the person**  
26                   **served with the demand resides, is domiciled, or has his principal place of**  
27                   **business located.**

28                   **(d) If no protective order from the court is secured and the written**  
29                   **request by the attorney general is not complied with by the return date thereof,**

1 the attorney general may apply to the court for an order compelling compliance  
2 with the investigative demand or deposition notice.

3 (e) If any person fails or refuses to file any statement, report,  
4 documentary material or physical evidence, or obey any investigative subpoena  
5 or demand issued by the attorney general, except as permitted by a protective  
6 order issued by an appropriate court, the attorney general may apply to the  
7 district court having civil jurisdiction in the parish where the person served  
8 with the demand or subpoena resides, is domiciled, or has his principal place of  
9 business located, for a rule to show cause why an order compelling compliance  
10 should not be issued.

11 (f) Any disobedience of an order compelling compliance under this  
12 Section by any court shall be punished as a contempt of court.

13 (g) Service of any demand, subpoena, or petition shall be made in the  
14 manner provided by law.

15 G.(1) All proceedings under this Section shall be made with due provisions  
16 to protect the rights of any person unless the attorney general proves beyond a  
17 reasonable doubt that the person entered into the transaction with the foreign  
18 adversary or ~~person connected with a foreign adversary~~ **prohibited foreign actor**  
19 for the purpose of aiding such foreign adversary or ~~person connected with a foreign~~  
20 ~~adversary~~ **prohibited foreign actor** in compromising the security of the United  
21 States.

22 (2) No mortgage, lien, privilege, or other security interest recognized under  
23 the laws of this state and no ownership interest in indivision, lease, servitude,  
24 usufruct, right of use, bond for deed, or other real right shall be affected by a  
25 forfeiture or disposition pursuant to this Section.

26 (3) No forfeiture or disposition under this Section shall affect the rights of  
27 any person unless the attorney general proves beyond a reasonable doubt that the  
28 person entered into the transaction with the foreign adversary or person connected  
29 with a foreign adversary with the purpose of aiding such foreign adversary or ~~person~~

1 ~~connected with a foreign adversary~~ **prohibited foreign actor** in compromising the  
2 security of the United States.

3 **EH**. No attorney, title insurer, title insurance producer, title insurance agency  
4 producer, lender, mortgage loan servicer, notary public, real estate agent, real estate  
5 broker, seller, or lessor shall have a duty to make any investigation as to whether a  
6 party to a transaction involving immovable property is a foreign adversary, nor shall  
7 any such person be liable for failing to identify that a party to a transaction involving  
8 immovable property is a foreign adversary.

9 **FI**. The provisions of this Section shall not apply to any of the following:

10 (1) A natural person who is an American citizen, regardless of whether the  
11 United States citizenship was acquired by birth or the United States citizenship was  
12 granted to a person after meeting the requirements established by the United States  
13 Congress in the Immigration and Nationality Act, 8 U.S.C. 1158 et seq.

14 (2) A person who is not a United States citizen but is a permanent legal  
15 resident or is lawfully present in the United States by virtue of authorization by the  
16 United States Department of Homeland Security.

17 (3) A juridical person, as defined in Civil Code Article 24, that is wholly  
18 owned by persons who qualify under Paragraphs (1) and (2) of this Subsection.

19 (4) Immovable property purchased, leased, or otherwise acquired by a natural  
20 person that is used as a one-to-four family residential property.

21 (5) A juridical person that owned and conducted oil and gas operations  
22 located in Louisiana prior to July 1, 2023, and that is granted permissions by a  
23 General License issued by the United States Department of the Treasury, Office of  
24 Foreign Assets Control (OFAC General License) and that purchases or acquires  
25 property in Louisiana with a party or parties that are subject to the OFAC General  
26 License.

27 **GJ**. For the purposes of this Section:

28 (1) "Foreign adversary" means ~~an individual or a government identified as~~  
29 ~~a foreign adversary in 15 CFR 7.4(a)~~ **any foreign government or foreign**

1 nongovernment person determined by the United States secretary of commerce  
2 to have engaged in a long-term pattern or serious instances of conduct  
3 significantly adverse to the national security of the United States or security and  
4 safety of United States persons as listed in 15 CFR §7.4, Determination of  
5 Foreign Adversaries, as amended or renumbered, and identified in the database  
6 maintained by the United States Department of the Treasury, Office of Foreign  
7 Assets Control.

8 (2) "~~Person connected with a foreign adversary~~" "**Prohibited foreign actor**"  
9 means ~~the~~ a juridical person **or a natural person**, as defined in Civil Code Article  
10 24, **that meets any of the following criteria:**

11 **(a) Is under direction of** ~~in which the~~ a foreign adversary **that** has the power  
12 to direct or cause the direction of the management or policies of the juridical person  
13 whether through ownership of securities, by contract, or otherwise.

14 **(b) A person or entity that directly** **Directly** or indirectly has the right to vote  
15 fifty percent or more of the voting interests of an entity or is entitled to fifty percent  
16 or more of its profits is presumed to have the power to direct or cause the direction  
17 of the management or policies of the juridical person.

18 **(c) Is a juridical person that meets any of the following:**

19 **(i) Is headquartered in a country identified as a foreign adversary.**

20 **(ii) Is held or controlled, either directly or indirectly, by a government**  
21 **of a foreign adversary.**

22 **(iii) Is owned by, or the majority of stock or other ownership interest is**  
23 **held or controlled by, any person who is a citizen of a foreign adversary, unless**  
24 **that person is a legal permanent resident of the United States.**

25 **(d) Is a juridical person that is owned by, or the majority of stock or**  
26 **other ownership interest of which is held or controlled by, a corporation or**  
27 **entity described in Subparagraph (c) of this Paragraph.**

28 **(e) Any individual person who is a citizen of a foreign adversary, unless**  
29 **that person is a legal permanent resident of the United States, or is lawfully**

1           present in the United States by virtue of authorization by the United States  
2           Department of Homeland Security.

3           ~~HK~~. This Section shall apply only to property acquired by a foreign  
4           adversary or person connected with a foreign adversary on or after August 1, 2023.  
5           If a foreign adversary or person connected with a foreign adversary acquires  
6           immovable property despite the prohibitions as provided in this Section, the property  
7           shall only be subject to forfeiture during the period in which the prohibited foreign  
8           adversary or person connected with a foreign adversary owns the property. Rights  
9           in immovable property shall not be void or voidable because the property or right  
10          held in the property was previously held by a prohibited foreign adversary or person  
11          connected with a foreign adversary.

12           (3) This Section shall not apply to an entity that has a national security  
13           agreement with the Committee on Foreign Investment in the United States  
14           (CFIUS), maintains the national security agreement, and certifies the validity  
15           of the national security agreement annually to the Military Department, state  
16           of Louisiana.

17          Section 3. If any provision or item of this Act, or the application thereof, is held  
18          invalid, such invalidity shall not affect other provisions, items, or applications of the Act  
19          which can be given effect without the invalid provision, item, or application and to this end  
20          the provisions of this Act are hereby declared severable.

21          Section 4. This Act shall become effective upon signature by the governor or, if not  
22          signed by the governor, upon expiration of the time for bills to become law without signature  
23          by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
24          vetoed by the governor and subsequently approved by the legislature, this Act shall become  
25          effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

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DIGEST

SB 226 Engrossed 2025 Regular Session Hodges

Present 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. Provides that parties to the contract with a foreign adversary may rescind the contract prior to the transfer of the immovable property if it is determined that the purchaser or lessee is a foreign adversary or a person connected with a foreign adversary. Provides for exceptions. Provides that the attorney general may bring an action for injunctive relief in the name of the state against a foreign adversary or person connected to a foreign adversary to enforce the provisions of present law. Provides that a court may order that the property be sold to someone who is not a foreign adversary, or to a person who is not a person connected with a foreign adversary, or sold at judicial sale. Provides that the court shall order that the price of the sale be not less than the sum of all of the following:

- (1) Ad valorem taxes and other liens payable to a political subdivision on the property.
- (2) Indebtedness secured by a conventional mortgage on the property.
- (3) Indebtedness secured by a judicial or legal mortgage on the property.
- (4) Indebtedness secured by a lien or privilege on the property.
- (5) Commissions due to a real estate broker or real estate agent.
- (6) Costs related to the perfection of the sale.

Proposed law retains present law but changes the term from "person connected with a foreign adversary" to "prohibited foreign actor".

Present law (R.S. 3:3616) provides that, as it relates to farmland, that any prohibited foreign actor that violates present law is subject to a court ordered civil penalty of \$50,000 and forfeiture of the agricultural land if any prohibited foreign actor does not divest itself of land acquired in violation of present law within one year after judgment is entered in this action.

Proposed law retains present law and also makes the provisions related to the court ordered civil penalty forfeiture provisions regarding agricultural land to be applicable to all other immovable property acquired by a foreign adversary or a prohibited foreign actor.

Present law, (R.S. 3:3616) as it relates to farmland, authorizes the attorney general to bring an action for injunctive relief against the foreign adversary or a prohibited foreign actor to restrain and enjoin the sale or lease of immovable property. Establishes a process for such action if the attorney general elects to seek enforcement. Provides certain requirements for the attorney general to serve an investigative demand or subpoena for deposition testimony of a person who has information or other evidence of an alleged violation of present law. Further provides form, notice, and service requirements for such investigative demands and subpoenas. Authorizes the attorney general to apply to the court for an order compelling compliance with the investigative demand or subpoena if no protective order is secured. Further authorizes the attorney general to use other procedures authorized by law for a violation of present law. Authorizes the court, when petitioned by the attorney general, to issue additional orders such as revocation, forfeiture, or suspension of licensure; to appoint a receiver; to dissolve a domestic corporation; to suspend or terminate a foreign company's

right to do business in the state, to require restitution; and to require civil forfeiture or divestiture of immovable property.

Proposed law retains present law and also makes the provisions regarding agricultural land applicable to all other immovable property acquired by a foreign adversary or a prohibited foreign actor.

Present law (R.S. 3:3614) applies to both individuals and business entities that are foreign adversaries or prohibited foreign actors as it relates to farmland and present law (R.S. 9:2717.1) as it relates to all other immovable property only applies to business entities.

Proposed law retains present law and provides that an individual who is a foreign adversary or a prohibited foreign actor may not own immovable property, whether it is farmland or other immovable property.

Present law provides that the prohibition against foreign adversaries owning immovable property in Louisiana only applies to property acquired on or after Aug. 1, 2023.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 9:2717.1(A), (B)(1), (2), (4), and (5), (C)(1)(intro para), (C)(1)(b), (D), (E), (F), (G), and (H); adds R.S. 9:2717.1(I), (J), and (K))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Judiciary A to the original bill

1. Removes proposed changes to current law (R.S. 18:1362(A)(1)) regarding the duties and responsibilities of the Voting System Commission.
2. Adds an exception to the definition of a "prohibited foreign actor" for those individual persons who are citizens of a foreign adversary but who are lawfully present in the United States by virtue of authorization by the United States Department of Homeland Security.
3. Provides that the prohibitions against acquisition of immovable property by a prohibited foreign actor shall not apply to entities that have a national security agreement with the Committee on Foreign Investment in the United States (CFIUS) and who maintain that agreement and certify its validity to the Military Department, state of Louisiana.
3. Removes proposed new section of law (R.S. 9:2717.1.1) that would have provided for military expropriation of land within 50 miles of national security infrastructure which is found to be under the control of a foreign adversary or a prohibited foreign actor.
4. Removes any proposed changes to laws related to Louisiana elections or voting systems.