

Department of Legislative Services  
Maryland General Assembly  
2025 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 471 (Delegate Chisholm, *et al.*)  
Environment and Transportation

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Agricultural Land and Programs - Scrutinized Entities

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This bill prohibits specified individuals and entities associated with certain embargoed countries from purchasing agricultural land in the State or participating in State agricultural programs that are unrelated to regulatory requirements for food or food safety. **The bill terminates as of the effective date of a federal law that no longer authorizes the states to adopt and enforce provisions of the type authorized under the bill.**

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Fiscal Summary

**State Effect:** The bill is not expected to have a direct, material impact on State finances. Any penalties imposed for violations of the bill’s prohibition are not expected to materially affect State finances.

**Local Effect:** The bill is not expected to have a direct, material impact on local government finances. Any penalties imposed for violations of the bill’s prohibition are not expected to materially affect local government finances.

**Small Business Effect:** Potential meaningful.

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Analysis

**Bill Summary:** The bill prohibits specified individuals and entities associated with a country subject to an embargo under the federal International Traffic in Arms Regulations and listed under 22 CFR § [126.1](#)(d)(1) or (2) from:

- purchasing agricultural land, including land used for raising livestock, located in the State; or

- participating in State agricultural programs that are unrelated to regulatory requirements for food or food safety.

The prohibition applies to (1) a nonresident alien who is a citizen of such a country; (2) a commercial enterprise or business incorporated in such a country; and (3) an individual employed by or associated with the government of such a country.

The Maryland Department of Agriculture must notify the Department of Legislative Services within five days after the federal government enacts a law that no longer authorizes the states to adopt and enforce provisions of the type authorized under the bill.

### **Current Law:**

#### *Foreign Ownership of Property in the State*

Any alien, who is not an enemy, may own, sell, devise, dispose of, or otherwise deal with property in the same manner as if they had been a citizen of the State by birth.

#### *Federal International Traffic in Arms Regulations*

Under the federal International Traffic in Arms Regulations (22 CFR 126.1), it is the policy of the United States to deny licenses and other approvals for exports or imports of defense articles and defense services destined for or originating in certain countries. Eight countries are subject to a total embargo (Belarus, Burma, China, Cuba, Iran, North Korea, Syria, and Venezuela) and 16 additional countries (including Russia) are subject to a partial embargo.

#### *Federal Disclosure Requirements – Agricultural Land*

Under the Agricultural Foreign Investment Disclosure Act (AFIDA), any foreign person who acquires or transfers any interest, other than a security interest (and limited other interests specified in regulations), in agricultural land must submit a report to the Secretary of Agriculture – containing information on the foreign person, the agricultural land, the acquisition or transfer, and the person’s intended use of the land – not later than 90 days after the date of the acquisition or transfer.

Every six months, the Secretary of Agriculture must transmit to each state department of agriculture, or other appropriate state agency, a copy of each report submitted to the Secretary during the six-month period, which involved agricultural land in the state.

The U.S. Department of Agriculture’s Farm Service Agency (FSA) publishes [annual reports](#) on the information.

## *Penalties for Violations of the Agriculture Article*

Any person who violates a provision of the Agriculture Article (to which the bill's prohibition is added) is guilty of a misdemeanor, and unless another penalty is specifically provided elsewhere in the article, subject to a fine of up to \$500 and/or imprisonment for up to three months. A second or subsequent violation is subject to a fine of up to \$1,000 and/or imprisonment for up to one year. A second or subsequent violation is one that occurs within two years of any prior violation and arises out of a separate set of circumstances.

**Small Business Effect:** The bill may have a meaningful impact on small businesses to the extent it affects the value, cost, or availability of agricultural land in the State, whether now or in the future. FSA's 2023 annual report on information reported under AFIDA ([\*Foreign Holdings of U.S. Agricultural Land, Through December 31, 2023\*](#)) discusses analyses (pp. 7-9 of the report) conducted on the effect of foreign investment in agricultural land on land values and land rental rates, indicating that both land values and rental rates have implications for (1) farm wealth and access to credit; (2) expenses paid by farm and ranch operators; and (3) land access for beginning farmers and ranchers. An analysis of the effect of state laws prohibiting foreign ownership of agricultural land on agricultural land values and rental rates found evidence of a correlation between restrictions on foreign acquisition of land and slower rates of growth of agricultural land values but did not find consistent evidence regarding such laws' effect on rental rates.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Maryland Department of Agriculture; U.S. Department of Agriculture; Department of Legislative Services

**Fiscal Note History:** First Reader - February 10, 2025  
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