JASON C. GALLION

Legislative District 35

Harford and Cecil Counties

Education, Energy, and the Environment Committee



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February 12th, 2024

The Honorable Brian Feldman, Chair

Senate Education, Energy and the Environment Committee

RE: SB530 - Agricultural Land - Adversarial Foreign Governments - Restrictions on Property Interests

Position: Favorable w/ Amendments

Dear Chairman Feldman,

This commonsense bill would prohibit adversarial foreign governments, which means a state-controlled enterprise or government of a country that the U.S. Secretary of Commerce has determined to be a foreign adversary from purchasing, acquiring, leasing, or holding any property interest in agricultural land in the State of Maryland.

In the legislation a state-controlled enterprise would be a business enterprise in which a foreign government possesses more than 50% of the ownership interests or directs the business and affairs of the enterprise without the requirement or consent of any other person.

Currently, 24 other states ban the foreign ownership of farmland (Alabama, Arkansas, Florida, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Utah, Virginia and Wisconsin.)

The intent of this legislation is to make certain that we are safeguarding our farmland and food supply from foreign adversaries that don't always have our best interests in mind. Unfortunately, on a federal level the tracking data of these purchases has fallen behind and there doesn't seem to be any urgency to provide accurate results of these purchases.

"According to a GAO (U.S. Government Accountability Office) report detailing the findings of its investigation, the Department of Agriculture (USDA) has failed to consistently share timely data on foreign investments in U.S. agricultural land as required under the 1978 Agricultural Foreign Investment Disclosure Act (AFIDA). Further, Pentagon officials told investigators, according to the report, that USDA needs to regularly provide more up-to-date and specific AFIDA data.

"The GAO investigation concluded that USDA collects AFIDA (Agricultural Foreign Investment Disclosure Act) data on paper forms filed with county or federal offices, but that its process is "unclear and challenging to implement." And USDA also has no plans and timelines to create an online AFIDA database despite Congress mandating the agency create one by 2025." Foreign Investments in U.S.

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Agricultural Land: Enhancing Efforts to Collect, Track, and Share Key Information Could Better Identify National Security Risks | U.S. GAO)

We're proposing two amendments to the legislation that will create a more narrowly tailored product, the first will exempt property that is used for Agricultural research and development or the testing, development or production of crop production inputs for sale or relate to farmers including seeds, plants, pesticides, soil amendments, biologicals and fertilizers.

The second amendment proposed from the Maryland Realtors would exclude real estate licensees from any damages or harm arising from the enforcement under this law.

I respectfully ask the committee for favorable passage of SB 392.

Jasa Dallin

Sincerely,

Jason Gallion

Senator, District 35