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Health and Government Operations Committee



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THE MARYLAND HOUSE OF DELEGATES Annapolis, Maryland 21401

February 10, 2025

Honorable Members of the Environment & Transportation Committee,

HB471 plans to regulate the acquisition of public agricultural land and participation in agricultural programs in Maryland, particularly by countries listed under the <u>International Traffic in Arms Regulations (ITAR)</u>. This legislation seeks to protect Maryland's critical agricultural resources from potential national security threats posed by foreign influence and control. Additionally, a provision in the bill ensures that it will be abrogated if federal law preempts it.

At the federal level, concerns about foreign ownership of U.S. agricultural land have led to significant discussions. The U.S. Department of Agriculture (USDA) estimates that foreign ownership of domestic farmland grew to approximately 40 million acres in 2021. While foreign investments can provide economic benefits, they can also pose national security risks, especially when these acquisitions are near sensitive military installations. In 2022, the purchase of cropland near the Grand Forks Air Force Base in North Dakota by a Chinese-owned subsidiary raised concerns due to the presence of sensitive drone technology at the base. This case highlights the broader national security implications of foreign adversarial ownership.

Between October 2022 and January 2024, the Government Accountability Office (GAO) conducted a study on <u>Foreign Investments in the U.S. Agricultural Land</u> (January 2024). GOA issued six recommendations for enhancing this process, and the USDA has agreed to these recommendations, emphasizing the need for timely, reliable, and modernized data collection.

In light of these efforts, HB471 aligns with both federal efforts to address national security risks and the successful actions of other states to regulate foreign ownership of agricultural land. The <u>Congressional Research Service</u> reported that between January 2023 and July 2024, at least 22 states enacted legislation to address the potential national security and economic implications of foreign ownership of U.S. land (August 2024). This growing trend underscores the need for proactive steps that Maryland can take.

Neighboring states like <u>Virginia</u> and <u>Pennsylvania</u> have already taken action. Virginia has enacted restrictions on property ownership by what the Commonwealth deems adversarial nations, including China, Cuba, Iran, North Korea, Russia, and Venezuela, all of which appear on the ITAR List. Similarly, Pennsylvania prohibits non-U.S. residents from acquiring farmland exceeding 100 acres, a measure they are looking to strengthen further this year. HB471's intent to safeguard Maryland's critical agricultural assets from ITAR nations aligns with the successful precedent set by <u>Arkansas</u>, where similar legislation was enacted. Worth noting, many of these countries on the ITAR list, including China, Russia, Belarus, Iran, North Korea, Venezuela,

Syria, and others, do not permit Americans to purchase farmland in their country. It stands to reason that we should adopt similar measures to protect our own agricultural resources.

By referencing ITAR, the legislation aligns with established legal standards and internationally recognized guidelines for controlling the export of defense-related items and information. This approach avoids singling out any particular country, preventing potential legal challenges based on discrimination and promoting a more inclusive yet robust strategy to protect sensitive agricultural assets. The inclusion of ITAR also strengthens the bill's national security focus, ensuring that Maryland can effectively address potential vulnerabilities posed by foreign investments in agriculture.

Moreover, HB471 offers the opportunity for more Maryland-owned businesses and residents to invest in and benefit from the state's farmland, fostering local economic growth while enhancing security.

Thank you for your attention to this important issue, and I respectfully request a favorable report for HB471.

Sincerely,

Delegate Brian Chisholm

Brian Chisholm