

State of Misconsin 2025 - 2026 LEGISLATURE

LRB-1662/1 KRP:skw/emw/cdc

2025 SENATE BILL 219

April 25, 2025 - Introduced by Senators STAFSHOLT, QUINN, BRADLEY, WANGGAARD, NASS and PFAFF, cosponsored by Representatives MOSES, CALLAHAN, GUNDRUM, O'CONNOR, ALLEN, TUCKER, MAXEY, ARMSTRONG, B. JACOBSON, KREIBICH, FRANKLIN, MURSAU, MURPHY, DITTRICH, PALMERI, SORTWELL, STEFFEN, MELOTIK and BRILL. Referred to Committee on Agriculture and Revenue.

1 AN ACT to repeal 710.02 (2) (d) to (g) and 710.02 (3); to renumber and amend

710.02 (1) and 710.02 (9); *to amend* 710.01, 710.02 (title), 710.02 (2) (intro.),
710.02 (2) (a), 710.02 (2) (b), 710.02 (4) (a) 2., 710.02 (5) (a) and (b) and 710.02
(6); *to create* 710.02 (1g), 710.02 (1r) (d), 710.02 (2) (h), 710.02 (9) (b), 710.04
and 710.045 of the statutes; **relating to:** limitations on ownership of real
property in this state by foreign persons.

Analysis by the Legislative Reference Bureau

This bill modifies current law that limits certain foreign persons from acquiring, owning, or holding large amounts of agricultural and forestry land in this state. The bill also prohibits certain foreign persons from acquiring, owning, or holding any interest in real property in this state within 10 miles of a military installation and prohibits foreign adversaries from acquiring, owning, or holding any interest in real property in this state.

LIMITING FOREIGN OWNERSHIP OF AGRICULTURAL LAND

Under current law, certain foreign persons may not acquire, own, or hold more than 640 acres of agricultural or forestry land in this state. The bill makes several changes to the limitation under current law.

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Type of land subject to acreage limit

Current law generally prohibits a covered foreign person (as defined below) from acquiring, owning, or holding more than 640 acres of land in this state. However, that limitation does not apply to any of the following activities:

1. An exploration mining lease and land used for certain mining and associated activities.

2. Certain manufacturing activities.

3. Certain mercantile activities.

4. A lease for exploration or production of oil, gas, coal, shale, and related hydrocarbons, including by-products of the production, and land used in connection with the exploration or production.

Those exceptions have been interpreted to be "extremely broad, embracing almost every conceivable business activity [other than a]ctivities relating to agriculture and forestry." See Wis. Op. Att'y Gen. OAG 11-14, ¶5, available at https://www.doj.state.wi.us. In other words, under current law, foreign persons may acquire, own, and hold unlimited amounts of land for most nonagricultural and nonforestry purposes, but covered foreign persons may not acquire, own, or hold more than 640 acres of land for agricultural or forestry purposes.

The bill eliminates the current scheme under which the limitation applies to all land with extremely broad exceptions and replaces the scheme with a limitation that applies only to land that is classified, for property tax purposes, as agricultural (agricultural land). Under the bill, the limitation does not apply to forestry land.

Amount of land foreign persons may own

The bill reduces the maximum amount of agricultural land that a covered foreign person may acquire, own, or hold from 640 acres to 50 acres (acreage limit).

Covered foreign persons

Under current law, the following persons generally are subject to the acreage limit (covered foreign person):

1. An alien not a resident of a state of the United States (nonresident alien).

2. A corporation that is not created under federal law or the laws of any state (foreign entity).

3. A corporation, limited liability company, partnership, or association having more than 20 percent of its stock, securities, or other indicia of ownership held or owned by nonresident aliens or foreign entities (foreign-owned entity).

4. A trust having more than 20 percent of the value of its assets held for the benefit of nonresident aliens or foreign entities (foreign beneficiary trust).

The bill does all of the following:

1. Specifies that the acreage limit also applies to a foreign government.

2. Increases the percentage of an entity's ownership held by nonresident aliens or foreign entities that is required for the entity to be considered a foreign-owned entity from 20 percent to 25 percent of its stock, securities, or other indicia of ownership.

3. Increases the percentage of a trust's assets held for the benefit of

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nonresident aliens or foreign entities that is required for the trust to be considered a foreign beneficiary trust from 20 percent to 25 percent of the value of its assets.

4. Specifies that, for purposes of determining whether an entity is a foreignowned entity or whether a trust is a foreign beneficiary trust, foreign government interests are included in calculating the relevant percentage amounts.

Exception for agricultural research leases

Current law includes exceptions from the acreage limit for railroad and pipeline corporations and treaty rights, among other things. The bill provides that the acreage limit also does not apply to a lease that is exclusively for agricultural research purposes and encumbers no more than 50 acres of agricultural land.

Divestiture period

Under current law, if a covered foreign person acquires an interest in land that causes the covered foreign person to exceed the acreage limit, the covered foreign person must divest itself of that interest. Specifically, the covered foreign person must divest itself within four years after:

1. Acquiring the interest, if the covered foreign person is a nonresident alien or foreign entity and the interest is acquired by devise or inheritance or in the good faith collection of debts by due process of law.

2. Acquiring the interest or becoming a foreign-owned entity or foreign beneficiary trust, whichever is later, if the covered foreign person is a foreign-owned entity or foreign beneficiary trust.

The bill reduces the divestiture period from four years to three years and specifies that the divestiture requirement described under item 1 applies to a foreign government.

PROHIBITING OWNERSHIP OF REAL PROPERTY NEAR MILITARY INSTALLATIONS

The bill generally prohibits a covered foreign person from acquiring, owning, or holding any real property in this state that is located on or within 10 miles of a military installation, as defined in the bill (military property). Under the bill, the prohibition does not apply to 1) an interest used to secure repayment of a debt, 2) a person whose right to hold military property is secured by treaty, or 3) a railroad or pipeline corporation. The bill allows a covered foreign person to acquire an interest in military property that the covered foreign person would otherwise be prohibited from acquiring if the interest is acquired by devise or inheritance or in the good faith collection of debts by due process of law. However, if such an interest is acquired, the covered foreign person must divest itself of that interest within 18 months after acquiring the interest.

The bill specifies that, if a person becomes a foreign-owned entity or foreign beneficiary trust after the bill's effective date, the person has 18 months to divest itself of any interest in military property the person is prohibited from owning or holding.

Finally, the bill provides that any interest in military property acquired, owned, or held in violation of the bill is forfeited to the state and that the attorney general is responsible for enforcement.

PROHIBITING OWNERSHIP OF REAL PROPERTY BY FOREIGN ADVERSARIES

The bill prohibits a foreign adversary from acquiring, owning, or holding any interest in real property in this state. Under the bill, "foreign adversary" means a person determined by the U.S. Department of Commerce to be a foreign adversary of the United States. Those countries currently include China, Cuba, Iran, North Korea, Russia, and Venezuela under the regime of Nicolás Maduro. The bill provides that any interest acquired, owned, or held by a foreign adversary in violation of the bill is forfeited to the state and that the attorney general is responsible for enforcement.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1

SECTION 1. 710.01 of the statutes is amended to read:

2 **710.01** Aliens may acquire lands. Subject to the limitations of s. ss. 710.02,

<u>710.04, and 710.045, an alien may acquire and hold lands or any right thereto or</u>
interest therein by purchase, devise, or descent, and the alien may convey,
mortgage, and devise the same; and if the alien shall die intestate the same shall
descend to the alien's heirs; and in all cases such lands shall be held, conveyed,
mortgaged, or devised or shall descend in like manner and with like effect as if such

8 alien were a native citizen of the state or of the United States.

SECTION 2. 710.02 (title) of the statutes is amended to read:

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11 <u>foreign ownership of agricultural land</u>.

710.02

12 SECTION 3. 710.02 (1) of the statutes is renumbered 710.02 (1r), and 710.02

(title) Limitation on nonresident aliens and corporations

13 (1r) (intro.) and (c), as renumbered, are amended to read:

14 710.02 (1r) LIMITATION <u>ACREAGE LIMIT</u>. (intro.) The following persons may
 15 not acquire, own, or hold any interest, directly or indirectly, except an interest used

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1	to secure repayment of a debt incurred in good faith, in more than $640 \ 50$ acres of
2	<u>agricultural</u> land in this state:
3	(c) 1. Corporations, limited liability companies, partnerships, or associations
4	having more than $\frac{20}{25}$ percent of their stock, securities, or other indicia of
5	ownership held or owned <u>, directly or indirectly</u> , by persons under par. (a) or , (b) <u>, or</u>
6	<u>(d)</u> .
7	2. Trusts having more than $\frac{20}{25}$ percent of the value of their assets held,
8	<u>directly or indirectly,</u> for the benefit of persons under par. (a) or , (b) <u>, or (d)</u> .
9	SECTION 4. 710.02 (1g) of the statutes is created to read:
10	710.02 (1g) DEFINITION. In this section, "agricultural land" means land that
11	is classified as agricultural under s. 70.32 (2) (a) 4.
12	SECTION 5. 710.02 (1r) (d) of the statutes is created to read:
13	710.02 (1r) (d) Foreign governments.
14	SECTION 6. 710.02 (2) (intro.) of the statutes is amended to read:
15	710.02 (2) EXCEPTIONS. (intro.) Except as provided in sub. (3), sub. (1)
16	<u>Subsection (1r)</u> does not apply to <u>any of the following</u> :
17	SECTION 7. 710.02 (2) (a) of the statutes is amended to read:
18	710.02 (2) (a) Subject to sub. (5), any person acquiring an interest in
19	<u>agricultural</u> land by devise , <u>or</u> inheritance or in the good faith collection of debts by
20	due process of law.
21	SECTION 8. 710.02 (2) (b) of the statutes is amended to read:
22	710.02 (2) (b) Citizens, foreign governments, or subjects of a foreign
23	government whose rights to hold larger quantities of <u>agricultural</u> land are secured
24	by treaty.

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1	SECTION 9. 710.02 (2) (d) to (g) of the statutes are repealed.
2	SECTION 10. 710.02 (2) (h) of the statutes is created to read:
3	710.02 (2) (h) A lease that is exclusively for agricultural research purposes
4	and encumbers no more than 50 acres of agricultural land.
5	SECTION 11. 710.02 (3) of the statutes is repealed.
6	SECTION 12. 710.02 (4) (a) 2. of the statutes is amended to read:
7	710.02 (4) (a) 2. If the interest in land is acquired, owned, or held under an
8	exception set forth in sub. (2), a statement which that sets forth the specific
9	exception and, if under sub. (2) (d), (e), (f) or (g), the timetable and plan for
10	conversion and development to a purpose permitted under sub. (2) (d), (e), (f) or (g) .
11	SECTION 13. 710.02 (5) (a) and (b) of the statutes are amended to read:
12	710.02 (5) (a) Interests exceeding 640 in agricultural land in excess of 50
13	acres <u>that are</u> acquired by persons under sub. (1) (1r) shall be divested at the
14	discretion of the holder to comply with sub. (1) (1r) within -4-3 years after:
15	1. Acquiring the interest, if the interest is described under sub. (2) (a) and the
16	person is subject to sub. (1) <u>(1r)</u> (a) or , (b) <u>, or (d)</u> .
17	2. Acquiring the interest or becoming subject to sub. (1) $(1r)$ (c), whichever is
18	later, if the person is subject to sub. (1) (1) (c).
19	(b) Land Agricultural land subject to divestiture under par. (a) may not be
20	managed to cause undue levels of soil erosion or to injure the long-range
21	productivity of the <u>agricultural</u> land. The attorney general may bring an action to
22	enjoin these <u>those</u> practices on the <u>agricultural</u> land.
23	SECTION 14. 710.02 (6) of the statutes is amended to read:
91	710.02 (6) FORFEITURES Interests in lands agricultural land in excess of 640

24 710.02 (6) FORFEITURES. Interests in lands <u>agricultural land</u> in excess of 640

1	50 acres that are acquired, owned, or held in violation of this section are forfeited to
2	the state. The holder of the interest shall determine which <u>agricultural</u> lands are to
3	be forfeited to comply with sub. (1) (1r).
4	SECTION 15. 710.02 (9) of the statutes is renumbered 710.02 (9) (a) and
5	amended to read:
6	710.02 (9) (a) This section Section 710.02, 2023 stats., applies to interests in
7	land acquired after July 1, 1982, and before the first day of the first month
8	beginning after the effective date of this paragraph [LRB inserts date]. No
9	interest acquired before July 1, 1982, is subject to divestiture or forfeiture under
10	this section <u>s. 710.02, 2023 stats</u> .
11	SECTION 16. 710.02 (9) (b) of the statutes is created to read:
12	710.02 (9) (b) This section applies to interests in land acquired on or after the
13	first day of the first month beginning after the effective date of this paragraph
14	[LRB inserts date]. No interest acquired before the first day of the first month
15	beginning after the effective date of this paragraph [LRB inserts date], is subject
16	to divestiture or forfeiture under this section.
17	SECTION 17. 710.04 of the statutes is created to read:
18	710.04 Prohibition on foreign ownership near military installations.
19	(1) DEFINITIONS. In this section:
20	(a) "Covered foreign person" means a person described under s. 710.02 (1r) (a)
21	to (d).
22	(b) "Military installation" means a base, camp, post, station, yard, or center
23	encompassing at least 10 contiguous acres that is under the jurisdiction of the U.S.
24	department of defense or its affiliates.

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1	(2) PROHIBITION. A covered foreign person may not acquire, own, or hold any
2	interest, directly or indirectly, except an interest used to secure repayment of a debt
3	incurred in good faith, in real property in this state that is located on or within 10
4	miles of a military installation.
5	(3) EXCEPTIONS. Subsection (2) does not apply to any of the following:
6	(a) Subject to sub. (4), a covered foreign person acquiring an interest in real
7	property by devise or inheritance or in the good faith collection of debts by due
8	process of law.
9	(b) A citizen, foreign government, or subject of a foreign government whose
10	right to hold real property is secured by treaty.
11	(c) A railroad or pipeline corporation.
12	(4) DIVESTITURE. (a) If a covered foreign person acquires an interest in real
13	property described under sub. (3) (a) that the covered foreign person is otherwise
14	prohibited from acquiring, owning, or holding under sub. (2), the covered foreign
15	person shall divest itself of the interest within 18 months after acquiring the
16	interest.
17	(b) Except as provided in par. (a), if a person becomes a person described
18	under s. 710.02 (1r) (c) 1. or 2. after the first day of the first month beginning after
19	the effective date of this paragraph [LRB inserts date], the person shall divest
20	itself of any interests in real property owned or held in violation of sub. (2) within 18
21	months after the date on which the person becomes a person described under s.
22	710.02 (1r) (c) 1. or 2.

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(5) FORFEITURES; ENFORCEMENT. Any interest in real property acquired,

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owned, or held in violation of this section is forfeited to the state. The attorney
 general shall enforce this section.

(6) APPLICABILITY. This section applies to an interest in real property
acquired on or after the first day of the first month beginning after the effective date
of this subsection [LRB inserts date]. No interest acquired before the first day of
the first month beginning after the effective date of this subsection [LRB inserts
date], is subject to divestiture or forfeiture under this section.

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SECTION 18. 710.045 of the statutes is created to read:

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710.045 Prohibition on foreign adversary ownership of real property.

(1) DEFINITION. In this section, "foreign adversary" means a person determined to
be a foreign adversary under 15 CFR 791.4.

- 12 (2) PROHIBITION. A foreign adversary may not acquire, own, or hold any
 13 interest, directly or indirectly, in real property in this state.
- 14 (3) FORFEITURES; ENFORCEMENT. Any interest in real property acquired,
 15 owned, or held in violation of this section is forfeited to the state. The attorney
 16 general shall enforce this section.
- (4) APPLICABILITY. This section applies to an interest in real property
 acquired on or after the first day of the first month beginning after the effective date
 of this subsection [LRB inserts date]. No interest acquired before the first day of
 the first month beginning after the effective date of this subsection [LRB inserts
 date], is subject to divestiture or forfeiture under this section.
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(END)