BERGER SINGERMAN
FLORIDA'S BUSINESS LAW FIRM

CLIENT ALERT: FLORIDA LAW RESTRICTING FOREIGN REAL ESTATE INVESTMENTS

June 1, 2023

On May 8, 2023, SB 264, known as Interests of Foreign Countries, was signed into law. The law will become effective on July 1, 2023. The law limits and regulates the sale, purchase, and ownership of certain properties in the State of Florida by Foreign Principals, from particular countries of concern, including The People's Republic of China ("PRC"), the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the Venezuelan regime of Nicolás Maduro, or the Syrian Arab Republic (collectively, the "Countries of Concern").

"Foreign Principals" is defined to include (i) government and party officials from such country, (ii) a company formed in such country or having a principal place of business in such country, and its subsidiaries, (iii) any person domiciled in such country that is not a United State citizen or lawful permanent resident of the United States and (iv) any of the foregoing Foreign Principals that has a controlling interest in a corporate entity formed for the purpose of owning real property in the State of Florida.

Details on the specific regulations and requirements for those that currently own such property are described below. Failure to adhere to the following regulations and requirements may result in a misdemeanor or felony.

Purchase of Agricultural Land by Foreign Principals

As of July 1, 2023, Foreign Principals of any of the Countries of Concern will be prohibited from purchasing any agricultural land in Florida.

Next Steps: If a Foreign Principal of any of the Countries of Concern owns any agricultural land in Florida prior to July 1, 2023, the Foreign Principal will be required to register such land with the Florida Department of Agriculture and Consumer Services by January 1, 2024. Failure to properly register will result in fines. Foreign Principals may acquire agricultural land on or after July 1, 2023, by devise or descent, through the enforcement of security interests, or through the collection of debts, but must sell such land within three (3) years after acquisition.

Purchase of Real Property on or Around Military Installations and Critical Infrastructure

As of July 1, 2023, Foreign Principals of any of the Countries of Concern will be prohibited from purchasing any real property within ten (10) miles of any Military Installation or any Critical Infrastructure facility in Florida.

"Military Installation" means a base, camp, post, station, yard, or center encompassing at least 10 contiguous acres that is under the jurisdiction of the Department of Defense or its affiliates.

"Critical Infrastructure" means (i) a chemical manufacturing facility; (ii) a refinery; (iii) an electrical power plant; (iv) a water treatment facility or wastewater treatment plant; (v) a liquid natural gas terminal; (vi) a telecommunications central switching office; (vii) a gas processing plant, including a plant used in the processing, treatment, or fractionation of natural gas; (viii) a seaport; (ix) a spaceport territory; and (x) an airport.

Next Steps: If a Foreign Principal of any of the Countries of Concern owns any real property within ten (10) miles of any Military Installation or any Critical Infrastructure facility in Florida prior to July 1, 2023, Foreign

Principals will be required to register such real property with Florida's Department of Economic Opportunity by December 31, 2023. Failure to properly register will result in fines.

Purchase of Real Property by PRC

As of July 1, 2023, Foreign Principals of PRC will be prohibited from purchasing any real property in Florida.

Next Steps: If a Foreign Principal of PRC owns any real property in Florida prior to July 1, 2023, Foreign Principals will be required to register such real property with Florida's Department of Economic Opportunity by December 31, 2023. Failure to properly register will result in fines.

Berger Singerman's Business, Finance and Tax Team continues to monitor for new legislative developments. Please feel free to reach out should you need any assistance in navigating this new and complex business landscape.

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