WEST VIRGINIA LEGISLATURE

2024 REGULAR SESSION

Introduced

House Bill 4003

By Delegates Ridenour, Thorne, and Vance

[Introduced February 13, 2024; Referred to the Committee on the Judiciary]

A BILL to amend the Code of West Virginia, 193, as amended by adding thereto a new article, designated §37-3-1 and §37-3-2 relating to amending the law concerning ownership and possession of real property by hostile foreign entities.

Be it enacted by the Legislature of West Virginia:

ARTICLE 3. Preventing Hostile Entities From Owning Property in West Virginia.

§37-3-1. Hostile foreign entities prohibited from owning property in West Virginia.

Legislative Findings - The Legislature of the state of West Virginia finds that hostile foreign entities have obtained property in the United States and the state of West Virginia for nefarious purposes. The Legislature finds that preventing hostile foreign entities from obtaining property in the state of West Virginia is in the public's interest.

§37-3-2. Definitions and applicability of article.

(a) Except as provided below, all aliens shall be capable of taking, by deed or will, lands and tenements in fee simple, or other less estate, and of holding, aliening, and devising them.

(b) As used in this section:

(1) "Controlling interest" means an ownership interest of fifty percent (50%) or more, in the aggregate;

(2) "Prohibited foreign-party-controlled business" means a corporation, company, association, firm, partnership, society, joint-stock company, trust, estate, or other legal entity whose controlling interest is owned by a prohibited foreign party; and

(3) A "Prohibited foreign party" means:

(A) A citizen or resident of a country identified in §37-3-2(b)(3)(C)(vi) below;

(B) A foreign government formed within a country identified in §37-3-2(b)(3)(C)(vi) below;

(C) Any party other than an individual or a government:

(i) That is created or organized under the laws of any state; and

(ii) In which a significant interest or substantial control is directly or indirectly held or is capable of being exercised by:

(I) An individual referred to in subdivision §37-3-2(b)(3)(C)(i) of this section;

(II) A foreign government referred to in subdivision §37-3-2(b)(3)(C)(ii) of this section;

(III) A party referred to in subdivision §37-3-2(b)(3)(C)(iii) of this section; or

(IV) A combination of the individuals, parties, or governments referred to in paragraph (C) of this section;

(iii) An Entity of Particular Concern designated by the United States Department of State; or

(iv) An agent, trustee, or other fiduciary of a person or entity enumerated in §37-3-2(b)(3)(C)(i) through (iv) of this section;

(v) Specific entities comprising the list of prohibited foreign parties will be identified by the West Virginia Secretary of State annually, including states or entities engaging in hostilities against the United States, United States citizens or armed forces, or United States' allies; state sponsors of terrorism that have caused the deaths of United States of America citizens, and without admission and restitution or change in regime; states that align with communist or totalitarian ideologies.

(vi) Prohibited foreign parties include foreign governments or other foreign entities hostile to the United States or the State of West Virginia.

(vii) The initial list of prohibited foreign entities includes any person or entity with any association with the:

(I) Chinese Communist Party or the Government of the People's Republic of China, or associated entities;

(II) Government of Russia, or associated entities;

(III) Government of Belarus, or associated entities;

(IV) Democratic People's Republic of Korea Government, or associated entities;

(V) Socialist Republic of Vietnam Government, or associated entities;

(VI) Lao People's Democratic Republic Government, or associated entities;

(VII) Republic of Cuba Government, or associated entities;

(VIII) Government of Saudi Arabia, or associated entities;

(IX) Government of Syria, or associated entities;

(X) Government of Qatar, or associated entities;

(XI) Government of Turkey, or associated entities;

(XII) Islamic Republic of Iran Government, or associated entities;

(XIII) Government of Yemen, the Houthi movement, or associated entities;

(XIV) Government of Pakistan, or associated entities;

(XV) Current Government of Venezuela or the United Socialist Party of Venezuela, or associated entities;

(XVI) Islamic Emirate of Afghanistan or the Taliban, or associated entities;

(XVII) HAMAS or the Palestinian National Authority, or associated entities;

(XVIII) Foreign Terrorist Organizations (FTOs) as designated by the Secretary of State in accordance with section 219 of the Immigration and Nationality Act.

(c)(1) A prohibited foreign-party-controlled business shall not acquire by grant, purchase, devise, descent, or otherwise any interest in public or private property, including the mineral rights to any property, in this state.

(2) A party may not hold public or private property as an agent, trustee, or other fiduciary for a prohibited foreign-party-controlled business in violation of this section.

(3) A prohibited foreign-party-controlled business that owns property in West Virginia at the time this bill becomes law shall have six months to divest of the public or private property owned at the time this bill becomes effective.

(d)(1) A prohibited foreign-party-controlled business entity that acquires property in West Virginia in violation of this section shall have six months to divest of the public or private property.

(2) If a prohibited foreign-party-controlled business entity does not divest the public or private property as required by subdivision (d)(1) of this section, the Attorney General shall commence an action in the circuit court within the jurisdiction of the public or private property.

(3)(A) If the public or private property is held in violation of this section, the circuit court shall order that the public or private property be sold through judicial foreclosure.

(B) Proceeds of the sale shall be disbursed to lien holders, in the order of priority, except for liens which under the terms of the sale are to remain on the public or private property.

(4) The Attorney General shall promptly record a copy of the following in the local land records:

(A) Upon commencement, notice of the pendency of an action brought under subdivision (d)(2) of this section; and

(B) The order for the sale of the public or private land under subdivision (d)(3)(A) of this section.

(e) A prohibited foreign-party-controlled business entity shall upon conviction be guilty of a felony punishable by not more than two (2) years imprisonment in the custody of the Division of Correction and a $50,000 fine.

(f) It is an affirmative defense to prosecution under this section that a prohibited foreign-party-controlled business entity is a resident alien of the United States and the state of West Virginia.

(g) Title to public or private property is not invalid or subject to divestiture due to a violation of this section by:

(1) Any former owner; or

(2) Other person holding or owning a former interest in the public or private property.

(h) No person not subject to this section shall be required to determine or inquire into whether another person or entity is or may be subject to this section.

NOTE: The purpose of this bill is to amend the law concerning ownership and possession of real property and for other purposes.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.