



Foreign Ownership of Real Property in Florida

*Requirements and Practical Considerations on
Sections 692.201 – 692.205, Florida Statutes*

Kathleen M. Hugo, Esq.

692.201 – 692.205, Florida Statutes

- Effective as of July 1, 2023
- Prohibits direct or indirect ownership by foreign principals in foreign countries of concern for 3 types of real property in Florida
- New affidavit requirement to confirm compliance with law
- Contains civil and criminal penalties for violations

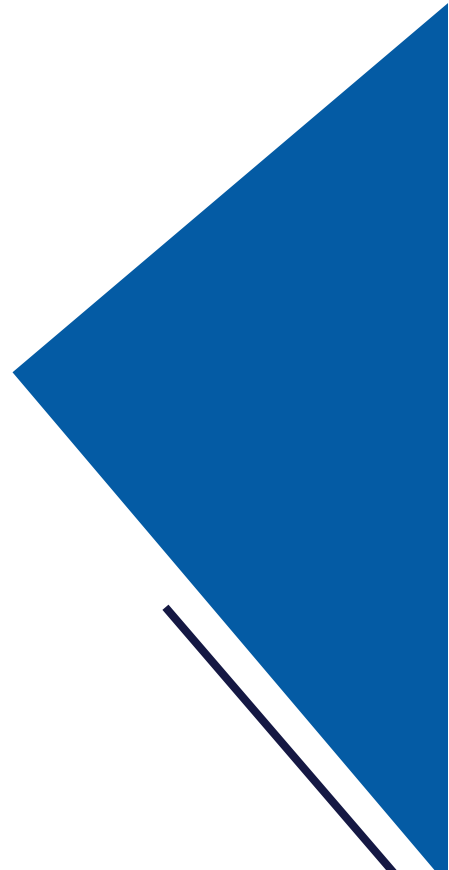
Foreign Countries of Concern

- People's Republic of China
- 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
- The Syrian Arab Republic



Foreign Principal: *Defined*

- Government or government official of a foreign country of concern
- Political party or member of a political party in a foreign country of concern
- A partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country of concern, or a subsidiary of such entity
- Any person who is domiciled in a foreign country of concern and is not a citizen or lawful permanent resident of the United States
- Any person, entity, or collection of persons or entities, described above having a controlling interest in a partnership, association, corporation, organization, trust, or any other legal entity or subsidiary formed for the purpose of owning real property in Florida.



Three Categories of Prohibited Real Estate

- Agricultural lands
- Real property within 10 miles of any military installation or critical infrastructure facility
 - “Critical Infrastructure” includes chemical manufacturing facilities, refineries, electrical power plants, liquid natural gas terminals, gas processing plants, water/wastewater treatment plants, seaports, spaceports, airports, etc. if they employ fences, barriers or guard posts
- **Foreign principals from the People’s Republic of China may not own any real property in Florida**

Exemptions

- Residential property
 - A natural person may purchase one residential property up to 2 acres in size
 - Cannot be within 5 miles of any military installation
 - Person must have visa that is not limited to authorizing tourist-based travel or official documentation confirming that the person has been granted asylum in the United States and such visa or documentation authorizes the person to be legally present within this state
 - Purchase must be in the name of the person holding the visa
- De minimus indirect ownership
 - Less than 5% ownership of shares in a publicly traded company
- Property acquired for diplomatic purposes

Property Owned Before the Law

- Foreign principals may continue to own real property acquired before July 1, 2023, but must register with the applicable State department
 - Property ownership by foreign principals from People's Republic of China or property near critical infrastructure or military installation
 - Must register with Department of Economic Opportunity by December 31, 2023
 - Agricultural lands
 - Must register with Department of Agriculture and Consumer Services by January 1, 2024
- Failure to timely register will result in penalties up to \$1,000 per day and a potential lien



Affidavit Requirement

- At the time of purchase, each buyer must provide an affidavit signed under penalty of perjury attesting that the buyer is:
 - A. Not a foreign principal AND
 - B. In compliance with the requirements of this section
- Failure to obtain affidavit does not:
 - Affect title or insurability of the land
 - Subject closing agent to civil or criminal liability, unless closing agent has knowledge that transaction is a violation
- Florida Real Estate Commission (FREC) is creating a form affidavit

Enforcement

Civil Penalties

- State has civil forfeiture rights over property owned in violation of the law

Criminal Liability

- Violation by Chinese foreign principal – 3rd degree felony
- Sale of property to Chinese principal – 1st degree misdemeanor
- Violation by other foreign principals – 2nd degree misdemeanor
- Sale to other foreign principals – 2nd degree misdemeanor

Practical Considerations

- New Required Closing Document
 - Buyer's Affidavit
- Purchase and Sale Contract Language
 - Representations that Buyer is not in violation
 - Notice to Buyer about new law
 - FAR Forms have been updated
- Discrimination and Fair Housing Act Violations
 - Law is currently being challenged in court



Additional Questions?

Kathleen M. Hugo, Esq.

Telephone: (407) 428-5141

E-mail: khugo@deanmead.com



Thank you!

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www.deanmead.com