



# Florida Law Restricts Certain Foreign Ownership of Real Estate:

SB 264 and What the Real Estate Professional Needs To Know

Information gained now can prevent surprises later!

## What Does the Law Do?

Effective July 1, 2023, Florida law prohibits the purchase of certain types of Florida real estate by “foreign principals” from “foreign countries of concern.”

Violation of the law can result in criminal penalties. It is also a crime for a person to “knowingly sell” property in violation of the law.

## Which countries are the “foreign countries of concern”?

- The 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
- Any agency of or any other entity of significant control of such foreign country of concern

## Who or What is a “Foreign Principal”?

- A person domiciled (i.e., whose permanent residence) in a foreign country of concern and not a U.S. citizen or lawful permanent resident of the U.S.

- A company having its principal place of business organized under the laws of a foreign country of concern or having its principal place of business in a foreign country of concern.
- The government or any official of the government of a foreign country of concern.

## What types of properties are affected by this law?

- Agricultural land, as defined by law
- Land within 10 miles of a military installation, as defined by law
- Land within 10 miles of a critical infrastructure facility, as defined by law

## Are all “foreign principals” treated equally and impacted the same by this law?

- **No.** The law only applies to those associated with one of the foreign countries of concern.
- Additionally, Chinese companies and persons domiciled in the People’s Republic of China who are not U.S. citizens or lawful permanent residents of the U.S. face more restrictions and heavier penalties than other foreign principals.



# Florida Law Restricts Certain Foreign Ownership of Real Estate:

SB 264 and What the Real Estate Professional Needs To Know

Information gained now can prevent surprises later!

**Example: Does this law prohibit all Venezuelan and Russian nationals from purchasing Florida real estate after July 1, 2023?**

- **No.** There is no limitation on foreign principals (except Chinese nationals and entities) from buying Florida real estate – so long as it's not agricultural land or land within 10 miles of a military installation or critical infrastructure facility.

**Are there any exceptions to these restrictions?**

- **Yes, but they are limited.** One significant exception allows a natural person to purchase one (1) residential real property subject to size, type, location, and other restrictions. Another exception applies to property being acquired for diplomatic purposes (as recognized by the Federal government).

**What do I need to do as a real estate licensee to ensure compliance by my clients with this law?**

- **Consult with legal counsel.** Advise the parties to consult an attorney regarding how the law may impact their legal rights and responsibilities.
- **Get the affidavit.** The law requires the buyer to deliver at the time of purchase an affidavit attesting to the fact that the buyer is not a foreign principal, or is not a foreign principal prohibited from making the purchase, and is in compliance with the law. The Florida Real Estate Commission (FREC) is statutorily responsible for adopting the form of affidavit and has issued two such forms: one for individuals and the other for entity buyers.
- **Disclose, disclose, disclose.** Be sure the seller and buyer are made aware of the law. The widely used Florida Realtors/Florida Bar (FR/BAR) form contracts are being updated to include a formal disclosure to the seller and buyer.
- **Engage with a Fund Member attorney as closing agent.** They are best situated to understand the law and to safely navigate you and the parties through its many complications.



Work with a  
Fund Member  
Real Estate Attorney  
[FLSuperHero.com](https://www.FLSuperHero.com)