

Direct foreign investment in California has doubled since 1980, and that makes a lot of Californians, including their lawmakers, uneasy. But vague uneasiness is no justification for SB 1303, a pointless bill that would duplicate federal efforts and burden foreign investors in California without providing any public benefit.

Authored by state Sen. Joseph Montoya, SB 1303 would require non-U.S. citizens, including permanent resident aliens, to disclose annually their California real estate holdings and investments in businesses with operations in the state. The registration requirement would apply to all foreign investors whose interests exceed \$2 million or 5 percent of the value of a business or piece of real property. The secretary of state would be required to collect the data and report it, in aggregate form, to the Legislature and executive branch departments.

All that is simply unnecessary. More than a dozen federal agencies already collect information on foreign investment in California and the rest of the nation. Under the International Investment and Trade in Services Survey Act of 1976, the U.S. Commerce Department reports extensive, state-by-state data on foreign investment every five years. The Agricultural Foreign Investment Disclosure Act of 1978 makes public similar data concerning foreign ownership of agricultural land. By using federal data, California policy-makers can obtain all the information on foreign investment they are likely to need. There's no reason to burden foreign companies and immigrant owners of small businesses with so many duplicative requirements.

SB 1303, which would create the only state reporting requirement in the nation, sends an unmistakable signal that foreign investment is unwelcome in California. In fact, as a matter of state policy, California has actively welcomed foreign investment as a source of jobs and technology. So long as U.S. savings rates remain low, the California economy will need foreigners' investments to finance factories, buildings, houses and public works projects. The way to lessen that dependence is not to stigmatize and burden foreign investors with legislation like SB 1303, but to promote policies that increase U.S. savings and productivity, so that the United States can once again sustain its own investment needs out of Americans' own savings .

CITATION (CMS STYLE)

"HARASSING FOREIGN INVESTORS." *SACRAMENTO BEE*, August 16, 1989: B4. *NewsBank: Access World News*. <https://infoweb-newsbank-com.atxlibrary.idm.oclc.org/apps/news/document-view?p=AWNB&docref=news/0EB0D8FA6F854A3A>.