

REFERENCE TITLE: landownership; foreign adversary; prohibition

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SB 1683

Introduced by
Senator Carroll

AN ACT

AMENDING SECTION 33-443, ARIZONA REVISED STATUTES; RELATING TO REAL
PROPERTY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 33-443, Arizona Revised Statutes, is amended to read:

33-443. Prohibition against land ownership; foreign adversary nation or agent; enforcement; violation; classification; definitions

A. Notwithstanding any other law and except as provided in subsection ~~F~~ K of this section, a foreign adversary nation or a foreign adversary agent may not, directly or indirectly, purchase, own, LEASE, acquire by grant or devise, OBTAIN A CONCESSION or otherwise obtain a CURRENT OR FUTURE substantial interest in real property in this state. THIS PROHIBITION INCLUDES ANY TRANSACTION THAT RESULTS IN THE ACQUISITION OF PROPERTY RIGHTS, WHETHER OR NOT THE TRANSACTION INVOLVES A TRANSFER OF TITLE, INCLUDING:

1. A PURCHASE, LEASE OR CONCESSION OF REAL PROPERTY BY OR TO A FOREIGN ADVERSARY NATION OR FOREIGN ADVERSARY AGENT.

2. A CHANGE IN PROPERTY RIGHTS RESULTING FROM A COVERED REAL ESTATE TRANSACTION DESCRIBED IN 31 CODE OF FEDERAL REGULATIONS SECTION 802.301 THAT ALLOWS A FOREIGN ADVERSARY NATION OR FOREIGN ADVERSARY AGENT TO DO ANY OF THE FOLLOWING:

- (a) PHYSICALLY ACCESS THE REAL PROPERTY.
- (b) EXCLUDE OTHERS FROM PHYSICAL ACCESS TO THE REAL PROPERTY.
- (c) IMPROVE OR DEVELOP THE REAL PROPERTY.
- (d) ATTACH FIXED OR IMMOVABLE STRUCTURES OR OBJECTS TO THE REAL PROPERTY.

3. THE ACQUISITION OF ANY OPTION, WARRANT, RIGHT OF FIRST REFUSAL OR FUTURE INTEREST, INCLUDING A REMAINDER OR REVERSIONARY INTEREST, THAT PROVIDES A RIGHT TO ACQUIRE REAL PROPERTY OR THE PROPERTY RIGHTS DESCRIBED IN PARAGRAPH 2 OF THIS SUBSECTION.

4. ANY CONVERTIBLE NOTE, BOND OR OTHER DEBT INSTRUMENT THAT PROVIDES A RIGHT TO ACQUIRE AN EQUITY INTEREST OR PROPERTY RIGHTS ON CONVERSION OR THE OCCURRENCE OF A CONTINGENCY.

B. A FOREIGN ADVERSARY NATION OR FOREIGN ADVERSARY AGENT MAY NOT INSTALL, MAINTAIN, HAVE ACCESS TO THE DATA OF OR OPERATE ANY EQUIPMENT ON ANY REAL PROPERTY IN THIS STATE THAT INCLUDES UNCREWED OR AUTONOMOUS SYSTEMS, ANTENNAS, COMMUNICATIONS SYSTEMS, SURVEILLANCE DEVICES OR SENSORS. THIS SUBSECTION APPLIES WHETHER OR NOT THE INSTALLATION, MAINTENANCE, ACCESS OR OPERATION IS:

- 1. PERMANENT OR TEMPORARY.
- 2. PHYSICAL OR EMBEDDED WITHIN OTHER STRUCTURES.
- 3. AUTHORIZED BY CONTRACT, LICENSE, CONCESSION OR INFORMAL ARRANGEMENT.

C. THIS SECTION APPLIES TO ANY TRANSACTION, TRANSFER, AGREEMENT OR ARRANGEMENT THAT IS DESIGNED OR INTENDED TO EVADE, AVOID OR CIRCUMVENT THE APPLICATION OF THIS SECTION, INCLUDING:

1 1. THE USE OF ANY INTERMEDIARY, SHELL COMPANY, PARTNERSHIP OR TRUST
2 TO OBSCURE THE IDENTITY OF A FOREIGN ADVERSARY NATION OR FOREIGN ADVERSARY
3 AGENT AS THE BENEFICIAL OWNER OR CONTROLLING PARTY.

4 2. THE RESTRUCTURING OF AN EXISTING INTEREST TO FALL BELOW THE
5 SUBSTANTIAL INTEREST THRESHOLD WHILE MAINTAINING FUNCTIONAL CONTROL OF OR
6 THE PROPERTY RIGHTS DESCRIBED IN SUBSECTION A, PARAGRAPH 2 OF THIS
7 SECTION.

8 D. AN ENTITY THAT IS A PUBLIC SERVICE CORPORATION,
9 TELECOMMUNICATIONS PROVIDER, CRITICAL INFRASTRUCTURE OWNER OR GOVERNMENT
10 AGENCY IN THIS STATE SHALL NOTIFY THE ATTORNEY GENERAL AND THE CORPORATION
11 COMMISSION IF THE ENTITY HAS ENTERED INTO OR SUSPECTS A LEASE, LICENSE OR
12 COLOCATION AGREEMENT HAS OR MAY HAVE ALLOWED A FOREIGN ADVERSARY NATION OR
13 FOREIGN ADVERSARY AGENT TO INSTALL EQUIPMENT ON THE ENTITY'S PROPERTY OR
14 INFRASTRUCTURE.

15 E. ANY TRANSACTION IN THIS STATE THAT FAILS TO COMPLY WITH A
16 COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES MITIGATION AGREEMENT
17 OR A PRESIDENTIAL ORDER OF DIVESTMENT IMPLEMENTED UNDER 31 CODE OF FEDERAL
18 REGULATIONS PART 802 IS A VIOLATION OF THIS SECTION.

19 ~~B-~~ F. The attorney general shall enforce this section. The
20 enforcement of this section may not be based on a person's race or
21 national origin. If the attorney general reasonably suspects THAT a
22 violation of this section occurred, the attorney general:

23 1. May commence an action in superior court in the county in which
24 the real property is located.

25 2. Shall report the matter to the federal bureau of investigation
26 for suspected espionage activity or to other local, state or federal law
27 enforcement agencies with the statutory authority to investigate those
28 cases.

29 3. Shall report the matter to the committee on foreign ~~investments~~
30 INVESTMENT in the United States (50 United States Code section 4565).

31 4. MAY SEEK AN IMMEDIATE INJUNCTION TO CEASE THE OPERATION OF
32 EQUIPMENT AND MAY MOVE FOR AN ORDER OF FORFEITURE AND REMOVAL OF THE
33 PROHIBITED DEVICES AT THE VIOLATOR'S EXPENSE.

34 G. ON THE INITIATION OF A COMMITTEE ON FOREIGN INVESTMENT IN THE
35 UNITED STATES REVIEW OF A TRANSACTION INVOLVING REAL PROPERTY IN THIS
36 STATE, THE ATTORNEY GENERAL MAY PETITION THE COURT FOR AN AUTOMATIC STAY
37 OF ANY PROPERTY DEVELOPMENT OR EQUIPMENT INSTALLATION PENDING THE FEDERAL
38 OUTCOME.

39 ~~E-~~ H. If pursuant to an action filed under subsection ~~B-~~ F,
40 paragraph 1 of this section the superior court finds that title or a
41 substantial interest in real property was obtained in violation of
42 subsection A of this section, the court shall:

43 1. Enter an order:

44 ~~F-~~ (a) Stating the court's findings.

~~2.~~ (b) Divesting the ~~person's~~ interest OF THE FOREIGN ADVERSARY NATION OR FOREIGN ADVERSARY AGENT.

~~3.~~ (c) Directing the board of supervisors to sell the real property in a manner that is consistent with title 42, chapter 18, article 7, except that the board of supervisors shall distribute the remaining proceeds after paying taxes, interest, penalties, fees and costs in the following order of priority:

~~(a)~~ (i) To any valid lienholder for the value of the lienholder's outstanding lien that is attached to the real property.

~~(b)~~ (ii) To the appropriate county treasurer and the attorney general to reimburse the appropriate board of supervisors and the attorney general for expenses incurred in ~~the prosecution of~~ PROSECUTING a violation of this section.

~~(c)~~ (iii) To the property owner in an amount equal to the remaining proceeds of the sale, if any.

2. NOTWITHSTANDING SUBSECTION C OF THIS SECTION, IF THE SUBSTANTIAL INTEREST IN REAL PROPERTY IS HELD THROUGH A CERTIFICATE OF PURCHASE, LEASE, RIGHT-OF-WAY OR OTHER INSTRUMENT RELATING TO LAND OWNED IN TRUST BY THIS STATE PURSUANT TO ARTICLE X, CONSTITUTION OF ARIZONA, DECLARE THAT THE SUBSTANTIAL INTEREST IS EXTINGUISHED AND SHALL ORDER THAT INSTRUMENT CANCELED IN ACCORDANCE WITH ITS TERMS, SUBJECT TO THE RIGHTS OF ANY REGISTERED MORTGAGEE OR OTHER LIENHOLDER PURSUANT TO SECTION 37-255.

~~I.~~ I. A title insurer, title agent, escrow agent or real estate licensee may not be held liable for any violation of this section.

~~J.~~ J. A violation of this section may not be the basis for a title insurance claim for any title insurance policy issued for REAL property in this state.

~~K.~~ K. A foreign adversary nation or foreign adversary agent may acquire real property or any interest in real property in this state by devise or descent, the enforcement of security interests or the collection of debt, if the foreign adversary nation or foreign adversary agent sells, transfers or otherwise divests from the real property within one hundred twenty days after acquiring the real property.

~~L.~~ L. It is unlawful for a person to knowingly make to a law enforcement agency of this state or a political subdivision of this state a false, fraudulent or unfounded report or statement regarding an alleged violation of this section. A violation of this subsection is a class 1 misdemeanor.

M. A FOREIGN ADVERSARY AGENT THAT VIOLATES SUBSECTION B OF THIS SECTION IS GUILTY OF A CLASS 5 FELONY.

~~N.~~ N. For the purposes of this section:

1. "ANTENNA" MEANS COMMUNICATIONS EQUIPMENT THAT TRANSMITS OR RECEIVES ELECTROMAGNETIC RADIO FREQUENCY SIGNALS AND THAT IS USED IN PROVIDING WIRELESS SERVICES.

1 2. "BENEFICIAL OWNER" MEANS ANY PERSON OR ENTITY THAT, DIRECTLY OR
2 INDIRECTLY THROUGH ANY CONTRACT, ARRANGEMENT, RELATIONSHIP OR OTHERWISE,
3 HAS OR SHARES VOTING POWER OR INVESTMENT POWER OVER THE PROPERTY OR THE
4 ENTITY HOLDING THE PROPERTY.

5 3. "COMMUNICATIONS SYSTEM" MEANS ANY EQUIPMENT AT A FIXED LOCATION
6 THAT ENABLES WIRELESS OR WIRELINE COMMUNICATIONS BETWEEN USER EQUIPMENT
7 AND A NETWORK.

8 4. "CONCESSION" MEANS A RIGHT TO USE REAL PROPERTY, INCLUDING PORTS
9 AND AIRPORTS, FOR A SPECIFIC PURPOSE OR FOR A SPECIFIC PERIOD OF TIME,
10 PURSUANT TO AN AGREEMENT WITH A GOVERNMENT ENTITY OR A PRIVATE PERSON.

11 5. "CONTINGENT INTEREST" MEANS A FINANCIAL INSTRUMENT OR
12 CONTRACTUAL RIGHT THAT DOES NOT CONSTITUTE AN EQUITY OR PROPERTY INTEREST
13 BUT IS CONVERTIBLE INTO, OR PROVIDES THE RIGHT TO ACQUIRE, AN EQUITY OR
14 PROPERTY INTEREST ON THE OCCURRENCE OF A CONTINGENCY OR DEFINED EVENT.

15 6. "CONTROL" MEANS THE POWER, DIRECT OR INDIRECT, WHETHER OR NOT
16 EXERCISED, TO DETERMINE, DIRECT OR DECIDE IMPORTANT MATTERS AFFECTING THE
17 REAL PROPERTY, INCLUDING THE SALE, LEASE, MORTGAGE OR DEVELOPMENT OF THE
18 REAL PROPERTY.

19 ~~1.~~ 7. "Foreign adversary agent" means any of the following:

20 (a) An agent of a foreign adversary nation involved in espionage.

21 (b) A state-owned enterprise of a foreign adversary nation.

22 (c) An entity that is directed or controlled by a foreign adversary
23 nation or the proxies of that foreign adversary nation.

24 (d) A leader of a controlling political party or government or any
25 administrative subdivision of a foreign adversary nation.

26 (e) Any business or other entity that is headquartered or domiciled
27 in a foreign adversary nation and directly or indirectly held or
28 controlled by a foreign adversary nation.

29 (f) A FOREIGN PERSON AS DEFINED IN 31 CODE OF FEDERAL REGULATIONS
30 SECTION 802.221 WHEN APPLIED TO A FOREIGN ADVERSARY NATION.

31 (g) AN INDIVIDUAL WHO IS A MEMBER OF OR WHO ACTS IN SUPPORT OF A
32 DESIGNATED FOREIGN TERRORIST ORGANIZATION UNDER SECTION 219 OF THE
33 IMMIGRATION AND NATIONALITY ACT (8 UNITED STATES CODE SECTION 1189).

34 ~~2.~~ 8. "Foreign adversary nation" means a country that is either of
35 the following:

36 (a) Identified by the United States director of national
37 intelligence as a country that poses a risk to the national security of
38 the United States in each of the three most recent annual threat
39 assessments of the United States intelligence community issued pursuant to
40 section 108b of the national security act of 1947 (50 United States Code
41 section 3043b).

42 (b) Determined by the United States department of commerce pursuant
43 to 15 Code of Federal Regulations section 791.4.

44 9. "LEASE" MEANS A CONTRACT OR ARRANGEMENT, WRITTEN OR ORAL, FOR
45 THE POSSESSION AND USE OF REAL PROPERTY FOR A SPECIFIED PERIOD OF TIME.

1 10. "SENSOR" MEANS A HIGH-SENSITIVITY DEVICE THAT IS DESIGNED TO
2 DETECT, MEASURE OR RECORD PHYSICAL STIMULI, INCLUDING SEISMIC, THERMAL,
3 ACOUSTIC OR CHEMICAL DATA.

4 ~~9.~~ 11. "Substantial interest" means an interest of ~~thirty~~ FIVE
5 percent or more THAT IS CALCULATED AS IF ALL CONTINGENT INTERESTS THAT ARE
6 HELD BY THE FOREIGN ADVERSARY NATION OR FOREIGN ADVERSARY AGENT HAVE BEEN
7 CONVERTED OR EXERCISED.

8 12. "SURVEILLANCE DEVICE" MEANS A DEVICE OR APPARATUS THAT CAN BE
9 USED TO INTERCEPT THE CONTENTS OF A COMMUNICATION OR TO CONDUCT VIDEO OR
10 ELECTRONIC MONITORING.

11 Sec. 2. Applicability

12 Section 33-443, Arizona Revised Statutes, as amended by this act,
13 applies to both:

14 1. Transactions that are entered into on or after the effective
15 date of this act.

16 2. A renewal, extension, modification or exercise of rights that is
17 related to an existing real property interest and that occurs on or after
18 the effective date of this act.

19 Sec. 3. Emergency

20 This act is an emergency measure that is necessary to preserve the
21 public peace, health or safety and is operative immediately as provided by
22 law.