

REFERENCE TITLE: state land; foreign entities; prohibition

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 4014

Introduced by
Representative Kupper

AN ACT

AMENDING TITLE 37, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 37-111; RELATING TO STATE LAND.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 37, chapter 1, article 1, Arizona Revised
3 Statutes, is amended by adding section 37-111, to read:

4 37-111. Conveyance of state land; foreign entities;
5 prohibition; violation; classification; civil
6 penalty; exceptions; definitions

7 A. NOTWITHSTANDING ANY OTHER LAW, THE DEPARTMENT MAY NOT CONVEY TO
8 A FOREIGN-CONTROLLED ENTITY, INCLUDING THROUGH INDIRECT ACQUISITIONS AND
9 UNITED STATES-BASED PROXIES, ANY STATE LAND THAT IS LOCATED WITHIN TEN
10 MILES OF CRITICAL INFRASTRUCTURE UNLESS BOTH OF THE FOLLOWING APPLY:

11 1. THE ATTORNEY GENERAL IN CONSULTATION WITH APPLICABLE FEDERAL
12 AUTHORITIES, INCLUDING THE COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED
13 STATES, HAS REVIEWED THE CONVEYANCE.

14 2. THE ATTORNEY GENERAL AND APPLICABLE FEDERAL AUTHORITIES
15 DETERMINE THAT THE CONVEYANCE POSES NO NATIONAL SECURITY RISK.

16 B. EACH PERSON THAT SUBMITS AN OFFER OR APPLICATION FOR A
17 CONVEYANCE OF STATE LAND THAT IS LOCATED WITHIN TEN MILES OF CRITICAL
18 INFRASTRUCTURE SHALL DO EITHER OF THE FOLLOWING:

19 1. DISCLOSE ANY FOREIGN AFFILIATION, INCLUDING ANY OWNERSHIP OR
20 CONTROL BY FOREIGN NATIONALS OR FOREIGN GOVERNMENTS.

21 2. SUBMIT AN A SIGNED AFFIDAVIT ATTESTING THAT THE PERSON DOES NOT
22 HAVE ANY FOREIGN AFFILIATION.

23 C. ANY PERSON THAT MAKES A FALSE STATEMENT OR FAILS TO DISCLOSE A
24 FOREIGN AFFILIATION PURSUANT TO SUBSECTION B OF THIS SECTION IS SUBJECT TO
25 PROSECUTION FOR PERJURY AS PRESCRIBED IN SECTION 13-2702.

26 D. THE COMMISSIONER SHALL FORWARD ANY OFFER OF CONVEYANCE FOR STATE
27 LAND THAT IS LOCATED WITHIN TEN MILES OF CRITICAL INFRASTRUCTURE THAT MAY
28 INVOLVE A FOREIGN-CONTROLLED ENTITY TO THE ATTORNEY GENERAL FOR REVIEW AND
29 INVESTIGATION. THE ATTORNEY GENERAL SHALL REVIEW THE INFORMATION AND MAKE
30 A DETERMINATION OF FOREIGN AFFILIATION OR CONTROL WITHIN FORTY-FIVE DAYS
31 AFTER RECEIPT OF THE INFORMATION FROM THE COMMISSIONER. THE ATTORNEY
32 GENERAL'S REVIEW SHALL EXAMINE THE FOLLOWING:

33 1. THE OFFEROR'S TIES TO FOREIGN GOVERNMENTS.

34 2. THE POTENTIAL IMPACT OF THE CONVEYANCE ON SUPPLY CHAINS OR
35 CRITICAL INFRASTRUCTURE.

36 3. THE OFFEROR'S ALIGNMENT WITH FEDERAL THREAT ASSESSMENTS,
37 INCLUDING SUPPORT FOR NONSTATE ACTORS DESIGNATED AS INTERNATIONAL
38 TERRORISM ORGANIZATIONS BY THE UNITED STATES DEPARTMENT OF STATE.

39 E. A PERSON THAT OFFERS OR APPLIES FOR A CONVEYANCE OF STATE LAND
40 AND THAT THE ATTORNEY GENERAL DETERMINES HAS A FOREIGN AFFILIATION MAY
41 CHALLENGE THE ATTORNEY GENERAL'S DETERMINATION IN SUPERIOR COURT.

42 F. IN ADDITION TO ANY OTHER APPLICABLE PENALTIES, A PERSON THAT
43 BUYS OR RECEIVES AN INTEREST IN STATE LAND THAT IS LOCATED WITHIN TEN
44 MILES OF CRITICAL INFRASTRUCTURE AND THAT HAS A FOREIGN AFFILIATION, OR
45 PURPOSEFULLY CIRCUMVENTS THE DISCLOSURE PROVISIONS OF SUBSECTION B OF THIS

1 SECTION, IS GUILTY OF A CLASS 6 FELONY AND SHALL PAY A CIVIL PENALTY OF
2 \$250,000 PER ACRE OF LAND ACQUIRED IN VIOLATION OF THIS SECTION. THE
3 ATTORNEY GENERAL MAY INVESTIGATE VIOLATIONS OF THIS SECTION AND WITHIN ONE
4 HUNDRED EIGHTY DAYS AFTER A CONVICTION SHALL SEEK A COURT ORDER FOR THE
5 DIVESTMENT OF ANY AFFECTED STATE LAND. THE ATTORNEY GENERAL SHALL
6 DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, ANY PROCEEDS FROM
7 DIVESTMENTS IN THE STATE LAND TRUST. THE ATTORNEY GENERAL SHALL DEPOSIT,
8 PURSUANT TO SECTIONS 35-146 AND 35-147, ANY CIVIL PENALTIES COLLECTED
9 PURSUANT TO THIS SUBSECTION, MINUS ADMINISTRATIVE COSTS, IN THE STATE
10 GENERAL FUND.

11 G. A PERSON THAT OWNS AN INTEREST IN STATE LAND OR FORMER STATE
12 LAND THAT IS LOCATED WITHIN TEN MILES OF CRITICAL INFRASTRUCTURE AND THAT
13 HAS A FOREIGN AFFILIATION SHALL REGISTER ANNUALLY WITH THE DEPARTMENT. A
14 PERSON THAT OWNS AN INTEREST IN STATE LAND OR FORMER STATE LAND THAT IS
15 LOCATED WITHIN TEN MILES OF CRITICAL INFRASTRUCTURE AND THAT HAS A FOREIGN
16 AFFILIATION MAY RETAIN THE STATE LANDS WITHOUT PENALTY OR REQUIRED
17 DIVESTMENT UNLESS THE ATTORNEY GENERAL DETERMINES THE OWNERSHIP OF THE
18 STATE LAND IS A THREAT TO NATIONAL SECURITY.

19 H. THIS SECTION DOES NOT APPLY TO THE FOLLOWING:

20 1. A DE MINIMIS INTEREST IN WHICH FOREIGN CONTROL IS LESS THAN ONE
21 PERCENT.

22 2. A TRANSACTION THAT IS PREAPPROVED BY THE COMMITTEE ON FOREIGN
23 INVESTMENT IN THE UNITED STATES.

24 3. AN ENTITY THAT FEDERAL LAW DESIGNATES AS A MAJOR NON-NATO ALLY,
25 UNLESS THE ATTORNEY GENERAL DETERMINES THAT THE SPECIFIC TRANSACTION POSES
26 A NATIONAL SECURITY RISK DUE TO THE ENTITY'S TIES TO A DESIGNATED
27 TERRORIST ORGANIZATION OR SIMILAR ORGANIZATION.

28 I. FOR THE PURPOSES OF THIS SECTION:

29 1. "CRITICAL INFRASTRUCTURE":

30 (a) MEANS SYSTEMS AND ASSETS, WHETHER PHYSICAL OR VIRTUAL, THAT ARE
31 SO VITAL TO THE UNITED STATES THAT THE INCAPACITY OR DESTRUCTION OF THE
32 SYSTEMS AND ASSETS WOULD HAVE A DEBILITATING IMPACT ON SECURITY, NATIONAL
33 ECONOMIC SECURITY OR NATIONAL PUBLIC HEALTH OR SAFETY, OR ANY COMBINATION
34 OF THESE.

35 (b) INCLUDES FACILITIES OR SITES DESIGNATED BY THE GOVERNOR AS
36 VITAL TO NATIONAL SECURITY, INCLUDING SEMICONDUCTOR MANUFACTURING PLANTS,
37 MILITARY INSTALLATIONS, POWER GRIDS, TRANSPORTATION HUBS AND OTHER
38 FACILITIES THAT PRODUCE DEFENSE-RELATED TECHNOLOGIES.

39 2. "FOREIGN-CONTROLLED ENTITY" MEANS ANY ENTITY IN WHICH
40 TWENTY-FIVE PERCENT OR MORE OF THE OWNERSHIP INTEREST, VOTING RIGHTS OR
41 CONTROLLING INTEREST IS HELD BY A FOREIGN NATIONAL, FOREIGN GOVERNMENT OR
42 ENTITY DOMICILED OUTSIDE OF THE UNITED STATES.

1 Sec. 2. Legislative findings

2 The legislature finds that:

3 1. The critical infrastructure of this state, including
4 semiconductor manufacturing facilities, are essential to national defense,
5 artificial intelligence and economic security and must be protected from
6 foreign influence that could compromise supply chains or enable espionage.

7 2. This act is necessary to ensure that state trust land auctions
8 prioritize domestic interest and align with federal guidelines under the
9 committee on foreign investment in the United States without
10 discriminating based on national origin.