

House Engrossed Senate Bill

landownership; foreign adversary; prohibition

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

CHAPTER 240

SENATE BILL 1683

AN ACT

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

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 33-443. Prohibition against land ownership; foreign adversary
5 nation or agent; enforcement; violation;
6 classification; definitions

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

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

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

21 (a) PHYSICALLY ACCESS THE REAL PROPERTY.

22 (b) EXCLUDE OTHERS FROM PHYSICAL ACCESS TO THE REAL PROPERTY.

23 (c) IMPROVE OR DEVELOP THE REAL PROPERTY.

24 (d) ATTACH FIXED OR IMMOVABLE STRUCTURES OR OBJECTS TO THE REAL
25 PROPERTY.

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

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

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

39 1. PERMANENT OR TEMPORARY.

40 2. PHYSICAL OR EMBEDDED WITHIN OTHER STRUCTURES.

41 3. AUTHORIZED BY CONTRACT, LICENSE, CONCESSION OR INFORMAL
42 ARRANGEMENT.

43 C. THIS SECTION APPLIES TO ANY TRANSACTION, TRANSFER, AGREEMENT OR
44 ARRANGEMENT THAT IS DESIGNED OR INTENDED TO EVADE, AVOID OR CIRCUMVENT THE
45 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. BEGINNING JANUARY 1, 2027, AN ENTITY THAT IS A PUBLIC SERVICE
9 CORPORATION, TELECOMMUNICATIONS PROVIDER, CRITICAL INFRASTRUCTURE OWNER OR
10 GOVERNMENT AGENCY IN THIS STATE SHALL NOTIFY THE ATTORNEY GENERAL AND THE
11 CORPORATION COMMISSION IF THE ENTITY HAS ENTERED INTO OR SUSPECTS A LEASE,
12 LICENSE OR COLOCATION AGREEMENT HAS OR MAY HAVE ALLOWED A FOREIGN
13 ADVERSARY NATION OR FOREIGN ADVERSARY AGENT TO INSTALL EQUIPMENT ON THE
14 ENTITY'S PROPERTY OR INFRASTRUCTURE.

15 E. THIS SECTION DOES NOT APPLY TO ANY TRANSACTION THAT HAS RECEIVED
16 CLEARANCE FROM OR THAT INCLUDES A PARTY THAT IS OPERATING UNDER A
17 MITIGATION AGREEMENT WITH THE COMMITTEE ON FOREIGN INVESTMENT IN THE
18 UNITED STATES UNDER SECTION 721 OF THE DEFENSE PRODUCTION ACT OF 1950 (50
19 UNITED STATES CODE SECTION 4565) AS IMPLEMENTED BY EXECUTIVE ORDER 11858
20 AND THE REGULATIONS PRESCRIBED UNDER 31 CODE OF FEDERAL REGULATIONS PART
21 802, EXCEPT THAT ANY TRANSACTION IN THIS STATE THAT FAILS TO COMPLY WITH A
22 COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES MITIGATION AGREEMENT
23 OR A PRESIDENTIAL ORDER OF DIVESTMENT IMPLEMENTED UNDER 31 CODE OF FEDERAL
24 REGULATIONS PART 802 IS A VIOLATION OF THIS SECTION.

25 ~~B.~~ F. The attorney general shall enforce this section. The
26 enforcement of this section may not be based on a person's race or
27 national origin. If the attorney general reasonably suspects THAT a
28 violation of this section occurred, the attorney general:

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

31 2. Shall report the matter to the federal bureau of investigation
32 for suspected espionage activity or to other local, state or federal law
33 enforcement agencies with the statutory authority to investigate those
34 cases.

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

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

40 G. ON THE INITIATION OF A COMMITTEE ON FOREIGN INVESTMENT IN THE
41 UNITED STATES REVIEW OF A TRANSACTION INVOLVING REAL PROPERTY IN THIS
42 STATE, THE ATTORNEY GENERAL MAY PETITION THE COURT FOR AN AUTOMATIC STAY
43 OF ANY PROPERTY DEVELOPMENT OR EQUIPMENT INSTALLATION PENDING THE FEDERAL
44 OUTCOME.

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

1. Enter an order:

~~1.~~ (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.

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

~~E.~~ 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.

~~F.~~ 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.

~~G.~~ 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.

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

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

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

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

11 3. "COMMUNICATIONS SYSTEM" MEANS ANY EQUIPMENT AT A FIXED LOCATION
12 THAT ENABLES WIRELESS OR WIRELINE COMMUNICATIONS BETWEEN USER EQUIPMENT
13 AND A NETWORK.

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

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

21 6. "CONTROL" MEANS THE POWER, DIRECT OR INDIRECT, WHETHER OR NOT
22 EXERCISED, TO DETERMINE, DIRECT OR DECIDE IMPORTANT MATTERS AFFECTING THE
23 REAL PROPERTY, INCLUDING THE SALE, LEASE, MORTGAGE OR DEVELOPMENT OF THE
24 REAL PROPERTY.

25 ~~I.~~ 7. "Foreign adversary agent" means any of the following:

26 (a) An agent ACTING AT THE DIRECTION of a foreign adversary nation
27 ~~involved in espionage.~~

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

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

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

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

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

38 ~~E.~~ 8. "Foreign adversary nation" means a country that is either of
39 the following:

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

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

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

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

~~9.~~ 11. "Substantial interest":

(a) Means an interest of ~~thirty~~ FIFTEEN percent or more THAT IS CALCULATED AS IF ALL CONTINGENT INTERESTS THAT ARE HELD BY THE FOREIGN ADVERSARY NATION OR FOREIGN ADVERSARY AGENT HAVE BEEN CONVERTED OR EXERCISED.

(b) DOES NOT INCLUDE ANY PASSIVE OWNERSHIP INTEREST THAT IS HELD IN AN ENTITY IF THE FOREIGN ADVERSARY NATION OR FOREIGN ADVERSARY AGENT DOES NOT POSSESS BY VIRTUE OF THAT OWNERSHIP INTEREST OR OTHERWISE THE POWER TO DIRECT OR CAUSE THE DIRECTION OF THE MANAGEMENT OR POLICIES OF THE ENTITY WITH RESPECT TO THE INTEREST IN REAL PROPERTY.

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

Sec. 2. Applicability

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

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

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

(ENACTED WITHOUT THE EMERGENCY)

Sec. 3. Emergency

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

APPROVED BY THE GOVERNOR JUNE 22, 2026.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 22, 2026.