

REFERENCE TITLE: **designated countries; land ownership; prohibition**

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SB 1403

Introduced by
Senators Shamp: Bolick, Carroll, Fernandez, Gowan, Kerr

AN ACT

AMENDING TITLE 33, CHAPTER 4, ARTICLE 3, ARIZONA REVISED STATUTES, BY
ADDING SECTION 33-443; RELATING TO PROPERTY CONVEYANCES AND DEEDS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 33, chapter 4, article 3, Arizona Revised
3 Statutes, is amended by section 33-443, to read:

4 33-443. Prohibition against land ownership; foreign
5 principals; enforcement; definitions

6 A. NOTWITHSTANDING ANY OTHER LAW, A FOREIGN PRINCIPAL FROM A
7 DESIGNATED COUNTRY MAY NOT, DIRECTLY OR INDIRECTLY, PURCHASE, LEASE, OWN,
8 ACQUIRE BY GRANT OR DEVISE OR HAVE ANY OTHER INTEREST IN REAL PROPERTY IN
9 THIS STATE.

10 B. THE ATTORNEY GENERAL SHALL ENFORCE THIS SECTION. IF THE
11 ATTORNEY GENERAL REASONABLY SUSPECTS A VIOLATION OF THIS SECTION OCCURRED,
12 THE ATTORNEY GENERAL SHALL COMMENCE AN ACTION IN SUPERIOR COURT IN THE
13 COUNTY IN WHICH THE REAL PROPERTY IS LOCATED.

14 C. IF THE SUPERIOR COURT FINDS THAT TITLE OR ANY INTEREST IN REAL
15 PROPERTY WAS OBTAINED IN VIOLATION OF SUBSECTION A OF THIS SECTION, THE
16 COURT SHALL ENTER AN ORDER:

17 1. STATING THE COURT'S FINDINGS.

18 2. DIVESTING THE PERSON'S INTEREST.

19 3. DIRECTING THE BOARD OF SUPERVISORS TO SELL THE REAL PROPERTY IN
20 A MANNER THAT IS CONSISTENT WITH TITLE 42, CHAPTER 18, ARTICLE 7, EXCEPT
21 THAT THE BOARD OF SUPERVISORS SHALL FORWARD ANY BALANCE REMAINING AFTER
22 PAYING THE TAXES, INTERESTS, PENALTIES, FEES AND COSTS TO THE STATE
23 TREASURER FOR DEPOSIT IN THE STATE GENERAL FUND.

24 D. A TITLE INSURER, TITLE AGENT, ESCROW AGENT OR REAL ESTATE
25 LICENSEE MAY NOT BE HELD LIABLE FOR ANY VIOLATION OF THIS SECTION.

26 E. A VIOLATION OF THIS SECTION MAY NOT BE THE BASIS FOR A TITLE
27 INSURANCE CLAIM FOR ANY TITLE INSURANCE POLICY ISSUED FOR PROPERTY IN THIS
28 STATE.

29 F. FOR THE PURPOSES OF THIS SECTION:

30 1. "DESIGNATED COUNTRY" MEANS A COUNTRY THAT IS IDENTIFIED BY THE
31 UNITED STATES DIRECTOR OF NATIONAL INTELLIGENCE AS A COUNTRY THAT POSES A
32 RISK TO THE NATIONAL SECURITY OF THE UNITED STATES IN EACH OF THE THREE
33 MOST RECENT ANNUAL THREAT ASSESSMENTS OF THE UNITED STATES INTELLIGENCE
34 COMMUNITY ISSUED PURSUANT TO SECTION 108B OF THE NATIONAL SECURITY ACT OF
35 1947 (50 UNITED STATES CODE SECTION 3043b).

36 2. "FOREIGN PRINCIPAL" MEANS ANY OF THE FOLLOWING:

37 (a) THE GOVERNMENT OR ANY OFFICIAL OF THE GOVERNMENT FROM A
38 DESIGNATED COUNTRY.

39 (b) A POLITICAL PARTY OR MEMBER OF A POLITICAL PARTY FROM A
40 DESIGNATED COUNTRY.

41 (c) ANY PERSON WHO IS A CITIZEN OF A DESIGNATED COUNTRY OR
42 DOMICILED IN A DESIGNATED COUNTRY AND WHO IS NOT A CITIZEN OR LAWFUL
43 PERMANENT RESIDENT OF THE UNITED STATES.

44 (d) ANY BUSINESS OR OTHER ENTITY THAT IS DOMICILED IN A DESIGNATED
45 COUNTRY.

1 (e) ANY BUSINESS OR OTHER ENTITY IN WHICH MORE THAN THE MAJORITY OF
2 THE BUSINESS'S OR ENTITY'S OWNERSHIP BELONGS TO AN ENTITY DOMICILED IN A
3 DESIGNATED COUNTRY.

4 (f) ANY BUSINESS OR OTHER ENTITY WHERE THE MAJORITY OF THE BOARD OF
5 DIRECTORS IS CONTROLLED BY AN ENTITY DOMICILED IN AN DESIGNATED COUNTRY.

6 Sec. 2. Legislative findings

7 The legislature finds:

8 1. This act is necessary to protect this state from global security
9 threats and halt or reverse the influence operation of the Chinese
10 Communist Party or other adverse nations or entities that poses a risk to
11 the national security of the United States.

12 2. This act is necessary to protect the critical infrastructure of
13 this state.

14 3. This act's protection of this state's military, commercial and
15 agricultural assets from foreign espionage and sabotage will place this
16 state in a significantly stronger position to withstand national security
17 threats.