



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature
First Regular Session

Senate: FED W/D | MABS DP 4-3-0-0 | 3rd read 17-12-1-0-0

SB 1109: designated countries; land ownership; prohibition

Sponsor: Senator Shamp, LD 29

Committee on Land, Agriculture & Rural Affairs

Overview

Makes it generally unlawful for specified foreign principals to *purchase, own, acquire by grant or devise or have any other interest in* (hold) real property in Arizona.

History

Section 108B of the National Security Act of 1947 ([50 U.S.C. § 3043b](#)) requires the United States (U.S.) Director of National Intelligence, in coordination with the heads of intelligence community elements, to submit an Annual Report on Worldwide Threats — also called an [Annual Threat Assessment](#) (ATA) — to appropriate congressional committees. ATAs assess worldwide threats to national security and must be submitted by the first Monday in February annually. ATAs are to be presented in unclassified form, but they may include a classified annex to protect intelligence sources and methods. The three most recent ATAs identified China, Russia, Iran and North Korea as countries that pose a risk to the national security of the United States (US DNI Annual Threat Assessment [2022](#), [2023](#) and [2024](#)).

Provisions

1. Prohibits *foreign principals*, from countries identified by the U.S. Director of National Intelligence as *a country that poses a risk to national security*, from holding real property in Arizona. (Sec. 1)
2. Requires the Attorney General (AG) to commence an action in the superior court of a county where there is a reasonable suspicion that a *foreign principal* is holding real property contrary to law. (Sec. 1)
3. Directs the court, if it finds a *foreign principal* to be holding real property contrary to law, to enter an order:
 - a) stating the court's findings;
 - b) divesting the person's interest; and
 - c) directing the county board of supervisors (BOS) to force the sale of the property. (Sec. 1)
4. Stipulates that, when the property is sold, any balance remaining after paying taxes, interests, penalties fees and costs are to be distributed to:
 - a) any valid lienholder for the value of their outstanding lien attached to the real property;
 - b) the appropriate county treasurer and the AG to reimburse the AG and BOS for expenses incurred in the prosecution of a violation; and
 - c) the property owner in an amount equal to the remaining proceeds of the sale. (Sec. 1)

☐ Prop 105 (45 votes)

☐ Prop 108 (40 votes)

☐ Emergency (40 votes)

☐ Fiscal Note

5. Asserts that a title insurer, title agent, escrow agent or real estate licensee cannot be held liable for any violation of this legislation. (Sec. 1)
6. Asserts that a violation of this legislation cannot be the basis for a title insurance claim. (Sec. 1)
7. Permits a *foreign principal* to hold land in Arizona if all the following apply:
 - a) the parcel is a residential real property and two acres or less in size;
 - b) the *foreign principal* is a natural person;
 - c) the *foreign principal* owns no other real property in Arizona;
 - d) the parcel is located a certain distance away from military installations, critical infrastructure, known vector routes and large air force ranges;
 - e) the *foreign principal* possesses a current verified U.S. visa that is not only for tourist travel or for asylum; and
 - f) the *foreign principal* sells, transfers or divests from the real property within 3 years after acquiring the real property. (Sec. 1)
8. States a foreign entity that holds real property in Arizona by the effective date of this legislation may continue to own or hold such real property. (Sec. 2)
9. Prohibits a foreign entity that holds real property in Arizona by the effective date of this legislation to hold any additional real property. (Sec. 2)
10. Defines *critical infrastructure*, *designated country*, *foreign principal*, *military installation* and *substantial interest*. (Sec. 1)
11. Contains a legislative findings clause. (Sec. 3)