



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

AMENDED
FACT SHEET FOR S.B. 1004

agricultural land; foreign ownership; violation

Purpose

Establishes the Office of Agricultural Intelligence (Office) within the Arizona Department of Homeland Security (ADOHS). Prohibits outlined entities from purchasing, acquiring or controlling title or any interest in agricultural land or land that is primarily used to harvest timber, minerals, gravel or other natural products in Arizona.

Background

The U.S. Director of National Intelligence is required to post an Annual Threat Assessment of the U.S. Intelligence Community (Annual Threat Assessment) that focuses on the most direct, serious threats to the United States during the following year. The 2021, 2022 and 2023 Annual Threat Assessments identified China, Russia, Iran and North Korea as countries that pose a risk to the national security of the United States (U.S. DNI Annual Threat Assessment [2021](#); [2022](#); and [2023](#)).

Current statute prohibits a public entity from entering into or renewing a contract with a company to acquire or dispose of services, supplies, information technology, goods or construction unless the contract includes a written certification that the company does not currently, and agrees for the duration of the contract that it will not use: 1) the forced labor of ethnic Uyghurs in the People's Republic of China; 2) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or 3) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China ([A.R.S. § 35-394](#)).

If agricultural lands are sold by county treasurers as outlined, and monies from the sale are transferred to the state General Fund (state GF), there may be a fiscal impact to the state GF.

Provisions

1. Establishes the Office within ADOHS.
2. Requires the Office to:
 - a) administer and enforce outlined restrictions and report violations to the Attorney General (AG);
 - b) investigate, collect and analyze potential violations; and
 - c) cooperate with the AG in any action commenced.
3. Allows the Director of the ADOHS to designate any employee of the ADOHS to the Office.

4. Prohibits, from purchasing, acquiring or controlling title or any interest in agricultural land or land that is primarily used to harvest timber, minerals, gravel or other natural products in Arizona, the following entities:
 - a) an agent of a designated country;
 - b) an agent of a company or other legal entity with a majority control by citizens of a designated country; and
 - c) an individual who is a citizen of a designated country or whose operations are headquartered in a designated country.
5. Exempts, from the prohibition, a person who is a lawful permanent resident of the United States.
6. Requires the AG and the Office to enforce the prohibition.
7. Requires, if the AG reasonably suspects a violation of the prohibition occurred, the AG to commence an action in superior court in the county in which the land interest is located.
8. Requires, if the superior court finds that title or any interest was obtained in violation of the prohibition, the court to:
 - a) state the court's findings;
 - b) divest the person's interest; and
 - c) direct the county treasurer to sell the agricultural lands or the land interests in a manner consistent with statute, except that the county treasurer must forward any balance remaining after paying the taxes, interests, penalties, fees and costs to the State Treasurer for deposit in the state GF.
9. Requires the ADOHS, in conjunction with the Department of Law, to implement the prohibition and enforcement.
10. Deems a person who knowingly violates the prohibition guilty of a class 6 felony.
11. Defines *agricultural lands* and *control*.
12. Defines *designated country* as a country that is identified by the U.S. Director of National Intelligence as a country that poses a risk to the national security of the United States in each of the three most recent Annual Threat Assessments of the U.S. intelligence community.
13. Becomes effective on the general effective date.

Amendments Adopted by Committee

1. Establishes the Office within the ADOHS, rather than within the AZDA.
2. Removes the requirement for a person who is in violation of the prohibition to divest the person's interest in land in Arizona at most two years after the effective date of the legislation without penalty.
3. Defines *designated country* as a country that is identified by the U.S. Director of National Intelligence as a country that poses a risk to the national security of the United States in each

of the three most recent Annual Threat Assessments of the U.S. intelligence community, rather than Afghanistan, Belarus, Cuba, Iran, Iraq, Libya, North Korea, Syria, Vietnam, Myanmar, China, Haiti, Liberia, Rwanda, Somalia, Sudan or the Democratic Republic of Congo or any United Security Council Arms Embargoed Country.

Senate Action

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Prepared by Senate Research

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RA/SDR/slp