

REFERENCE TITLE: **critical infrastructure; prohibited agreements**

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

SB 1123

Introduced by
Senators Rogers: Borrelli, Farnsworth, Kavanagh, Kern, Petersen, Shope,
Wadsack; Representatives Gillette, McGarr, Parker J

AN ACT

AMENDING TITLE 44, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 41;
RELATING TO CRITICAL INFRASTRUCTURE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 44, Arizona Revised Statutes, is amended by adding
3 chapter 41, to read:

4 CHAPTER 41

5 CRITICAL INFRASTRUCTURE

6 ARTICLE 1. PROHIBITED AGREEMENTS IN CONNECTION
7 WITH CRITICAL INFRASTRUCTURE

8 44-8031. Critical infrastructure; prohibited agreements;
9 exception; threat designation; definitions

10 A. EXCEPT AS PROVIDED IN SUBSECTION B OF THIS SECTION, A BUSINESS
11 IN THIS STATE OR GOVERNMENTAL ENTITY IN THIS STATE MAY NOT ENTER INTO AN
12 AGREEMENT INVOLVING CRITICAL INFRASTRUCTURE IN THIS STATE WITH A COMPANY
13 IF BOTH OF THE FOLLOWING APPLY:

14 1. UNDER THE AGREEMENT, THE COMPANY, DIRECTLY OR REMOTELY, WOULD BE
15 ABLE TO ACCESS OR CONTROL CRITICAL INFRASTRUCTURE IN THIS STATE, EXCEPT
16 FOR ACCESS THAT IS SPECIFICALLY ALLOWED FOR PRODUCT WARRANTY AND SUPPORT
17 PURPOSES.

18 2. THE COMPANY IS OWNED BY OR CONTROLLED BY EITHER OF THE
19 FOLLOWING:

20 (a) CITIZENS OF CHINA, IRAN, NORTH KOREA OR RUSSIA.

21 (b) A COMPANY OR OTHER ENTITY, INCLUDING A GOVERNMENTAL ENTITY,
22 THAT IS OWNED OR CONTROLLED BY CITIZENS OF OR IS DIRECTLY CONTROLLED BY
23 THE GOVERNMENT OF CHINA, IRAN, NORTH KOREA OR RUSSIA OR THAT IS
24 HEADQUARTERED IN CHINA, IRAN, NORTH KOREA OR RUSSIA.

25 B. SUBSECTION A OF THIS SECTION DOES NOT APPLY TO A COMPANY IF THE
26 COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES OR ITS SUCCESSOR
27 COMMITTEE DETERMINES THAT THERE ARE NO UNRESOLVED NATIONAL SECURITY
28 CONCERNS REGARDING THE TRANSACTION THAT CREATED THE COMPANY'S OWNERSHIP OR
29 ALLOWED THE COMPANY TO OPERATE WITHIN THE UNITED STATES.

30 C. THE GOVERNOR, IN CONSULTATION WITH THE DEPARTMENT OF PUBLIC
31 SAFETY, MAY DESIGNATE A COUNTRY AS A THREAT TO CRITICAL INFRASTRUCTURE IN
32 THIS STATE.

33 D. FOR THE PURPOSES OF THIS SECTION:

34 1. "COMPANY" MEANS A SOLE PROPRIETORSHIP, ORGANIZATION,
35 ASSOCIATION, CORPORATION, PARTNERSHIP, JOINT VENTURE, LIMITED PARTNERSHIP,
36 LIMITED LIABILITY PARTNERSHIP OR LIMITED LIABILITY COMPANY, INCLUDING A
37 WHOLLY OWNED SUBSIDIARY, MAJORITY-OWNED SUBSIDIARY, PARENT COMPANY OR
38 AFFILIATE OF THOSE ENTITIES OR BUSINESS ASSOCIATIONS, THAT EXISTS TO MAKE
39 A PROFIT.

40 2. "CRITICAL INFRASTRUCTURE" HAS THE SAME MEANING PRESCRIBED IN
41 SECTION 41-1801.