

Senate Engrossed

critical infrastructure; prohibited agreements

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

SENATE BILL 1123

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
26 EITHER OF THE FOLLOWING:

27 1. THE COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES OR ITS
28 SUCCESSOR COMMITTEE DETERMINES THAT THERE ARE NO UNRESOLVED NATIONAL
29 SECURITY CONCERNS REGARDING THE TRANSACTION THAT CREATED THE COMPANY'S
30 OWNERSHIP OR ALLOWED THE COMPANY TO OPERATE WITHIN THE UNITED STATES.

31 2. THE CITIZENS DESCRIBED IN SUBSECTION A, PARAGRAPH 2, SUBDIVISION
32 (a) OR (b) OF THIS SECTION ARE ALSO CITIZENS OF THE UNITED STATES.

33 C. THE GOVERNOR, IN CONSULTATION WITH THE DEPARTMENT OF PUBLIC
34 SAFETY, MAY DESIGNATE A COUNTRY AS A THREAT TO CRITICAL INFRASTRUCTURE IN
35 THIS STATE.

36 D. FOR THE PURPOSES OF THIS SECTION:

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

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