



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature  
Second Regular Session

Senate: MAPS DP 4-3-0-0 | 3<sup>rd</sup> Read 16-12-2-0

## **SB 1123: critical infrastructure; prohibited agreements**

**Sponsor: Senator Rogers, LD 7**

**Committee on Government**

### **Overview**

Prohibits a business or governmental entity in Arizona from entering into an agreement involving critical infrastructure if certain criteria apply.

### **History**

[The Committee on Foreign Investment in the U.S.](#) (CFIUS) is an interagency committee authorized to review certain transactions involving foreign investment in the United States and certain real estate transactions of foreign persons.

[The Arizona Department of Public Safety](#) (DPS) is a law enforcement agency with a primary focus of patrolling and enforcing laws on Arizona state highways. DPS provides services such as scientific analysis, aircraft support, emergency first care, criminal information systems and statewide communications.

Current law defines *critical infrastructure* as systems and assets, whether physical or virtual, that are so vital to Arizona and the U.S. that the incapacity or destruction of those systems and assets would have a debilitating impact on security, economic security, public health or safety ([A.R.S. § 41-1801](#)).

### **Provisions**

1. Mandates that a business or governmental entity in Arizona may not enter into an agreement involving critical infrastructure in Arizona with a company if while under the agreement, a company directly or remotely could access or control critical infrastructures in Arizona, except for access that is specifically allowed for product warranty and support purposes. (Sec. 1)
2. Stipulates that a business or governmental entity in Arizona may not enter into an agreement involving critical infrastructure with a company if the company is owned or controlled by either:
  - a) citizens of China, Iran, North Korea or Russia; or
  - b) a company or other entity, including a governmental entity, that is owned or controlled by the citizens or government of China, Iran, North Korea or Russia or is otherwise headquartered in these countries. (Sec. 1)
3. Asserts that a business or governmental entity in Arizona may enter into an agreement involving critical infrastructure with a company if:
  - a) CFIUS determines that there are no unresolved national security concerns regarding the transaction that created the company's ownership or allowed the company to operate within the U.S.; or

Prop 105 (45 votes)     Prop 108 (40 votes)     Emergency (40 votes)     Fiscal Note

- b) the citizens of China, Iran, North Korea or Russia who own the company are also citizens of the U.S. (Sec. 1)
- 4. Authorizes the Governor, in consultation with DPS, to designate a country as a threat to critical infrastructure in Arizona. (Sec. 1)
- 5. Defines *company* and *critical infrastructure*. (Sec. 1)