

House Engrossed

critical infrastructure; foreign adversaries; prohibition

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HOUSE BILL 2134

AN ACT

AMENDING TITLE 18, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 18-105; AMENDING TITLE 44, ARIZONA REVISED STATUTES, BY
ADDING CHAPTER 42; 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 18, chapter 1, article 1, Arizona Revised
3 Statutes, is amended by adding section 18-105, to read:

4 18-105. Software; critical infrastructure; critical
5 communications infrastructure; annual prohibited
6 equipment list; definitions

7 A. ANY SOFTWARE THAT IS USED FOR CRITICAL INFRASTRUCTURE IN THIS
8 STATE MAY NOT BE PRODUCED BY A CHINESE COMPANY.

9 B. ON OR BEFORE JANUARY 1 OF EACH YEAR, IF A CRITICAL
10 COMMUNICATIONS INFRASTRUCTURE PROVIDER IS A PARTICIPANT IN THE SECURE AND
11 TRUSTED COMMUNICATIONS NETWORKS REIMBURSEMENT PROGRAM PURSUANT TO
12 47 UNITED STATES CODE SECTION 1601, THE CRITICAL COMMUNICATIONS
13 INFRASTRUCTURE PROVIDER SHALL CERTIFY TO THE CORPORATION COMMISSION ANY
14 INSTANCE OF PROHIBITED CRITICAL COMMUNICATIONS INFRASTRUCTURE EQUIPMENT
15 USE, ALONG WITH THE GEOGRAPHIC COORDINATES OF THE AREAS SERVED BY THE
16 PROHIBITED EQUIPMENT. IF THE CRITICAL COMMUNICATIONS INFRASTRUCTURE
17 PROVIDER IS CERTIFIED BY THE CORPORATION COMMISSION, THE CRITICAL
18 COMMUNICATIONS INFRASTRUCTURE PROVIDER SHALL SUBMIT A STATUS REPORT TO THE
19 CORPORATION COMMISSION AT THE SAME TIME THAT ANY REPORT IS SENT TO THE
20 FEDERAL GOVERNMENT IN COMPLIANCE WITH THE SECURE AND TRUSTED
21 COMMUNICATIONS NETWORKS REIMBURSEMENT PROGRAM PURSUANT TO THIS SUBSECTION.

22 C. ANY CRITICAL COMMUNICATIONS INFRASTRUCTURE PROVIDER THAT
23 REMOVES, DISCONTINUES OR REPLACES ANY EQUIPMENT THAT IS PROHIBITED BY THIS
24 SECTION IS NOT REQUIRED TO OBTAIN AN ADDITIONAL PERMIT FROM ANY STATE
25 AGENCY OR POLITICAL SUBDIVISION OF THIS STATE FOR THE REMOVAL,
26 DISCONTINUANCE OR REPLACEMENT OF THE PROHIBITED EQUIPMENT.

27 D. A GOVERNMENTAL ENTITY OR A CRITICAL INFRASTRUCTURE SERVICE
28 PROVIDER IN THIS STATE MAY NOT ENTER INTO OR RENEW A CONTRACT WITH A
29 CHINESE COMPANY IF THE CONTRACT PROVIDES THE CHINESE COMPANY WITH DIRECT
30 OR INDIRECT ACCESS TO THE CRITICAL INFRASTRUCTURE.

31 E. ON OR BEFORE MARCH 31, 2027 AND EACH YEAR THEREAFTER, EACH
32 GOVERNMENTAL ENTITY AND CRITICAL INFRASTRUCTURE SERVICE PROVIDER IN THIS
33 STATE SHALL CERTIFY TO THE CORPORATION COMMISSION THAT THE PROVIDER HAS
34 NOT ATTACHED TO THE CRITICAL INFRASTRUCTURE OR CONNECTED TO ANY OPERATING
35 SYSTEM THAT IS USED BY THE CRITICAL INFRASTRUCTURE SERVICE PROVIDER ANY
36 ADDITIONAL EQUIPMENT THAT IS PROHIBITED BY THE CORPORATION COMMISSION AND
37 THAT WAS NOT IN USE IN THIS STATE BEFORE THE EFFECTIVE DATE OF THIS
38 SECTION.

39 F. ON OR BEFORE DECEMBER 31, 2026 AND EACH YEAR THEREAFTER, THE
40 CORPORATION COMMISSION SHALL PUBLISH A LIST OF ALL EQUIPMENT THAT IS
41 PROHIBITED PURSUANT TO THIS SECTION FROM BEING ATTACHED TO CRITICAL
42 INFRASTRUCTURE OR CONNECTED TO THE OPERATING SYSTEM THAT IS USED BY THE
43 CRITICAL INFRASTRUCTURE AND SHALL POST THE LIST ON THE CORPORATION
44 COMMISSION'S WEBSITE. THE LIST MUST INCLUDE, AT A MINIMUM, ANY WI-FI
45 ROUTER AND MODEM SYSTEM, ANY CAMERA-BASED SCHOOL BUS INFRACTION DETECTION

1 SYSTEM, SPEED DETECTION SYSTEM, TRAFFIC INFRACTION DETECTOR SYSTEM AND
2 OTHER CAMERA SYSTEM, BATTERY TECHNOLOGY OR SMART METER TECHNOLOGY, SOLAR
3 INVERTERS AND ANY PRODUCT THAT CONTAINS CELLULAR INTERNET-OF-THINGS
4 MODULES THAT ARE PRODUCED BY A CHINESE COMPANY.

5 G. EXCEPT AS PROVIDED IN SUBSECTION H OF THIS SECTION, IF MONIES
6 ARE APPROPRIATED AND DISTRIBUTED TO FACILITATE THE REMOVAL, EACH
7 GOVERNMENTAL ENTITY AND CRITICAL INFRASTRUCTURE SERVICE PROVIDER IN THIS
8 STATE SHALL REMOVE ANY EQUIPMENT THAT THE CORPORATION COMMISSION INCLUDES
9 ON THE PROHIBITED EQUIPMENT LIST PURSUANT TO SUBSECTION F OF THIS SECTION.

10 H. A GOVERNMENTAL ENTITY OR CRITICAL INFRASTRUCTURE SERVICE
11 PROVIDER IN THIS STATE MAY CONTINUE TO PURCHASE AND USE ANY PROHIBITED
12 EQUIPMENT PURSUANT TO THIS SECTION IF ALL OF THE FOLLOWING APPLY:

13 1. THERE ARE NO OTHER REASONABLE PROVIDERS OF THE PROHIBITED
14 EQUIPMENT.

15 2. THE PURCHASE OR USE OF THE PROHIBITED EQUIPMENT IS PREAPPROVED
16 BY THE CORPORATION COMMISSION.

17 3. NOT PURCHASING OR USING THE PROHIBITED EQUIPMENT WOULD POSE A
18 GREATER THREAT TO THIS STATE THAN THE THREAT ASSOCIATED WITH THE
19 PROHIBITED EQUIPMENT.

20 I. THIS SECTION DOES NOT REQUIRE THE CORPORATION COMMISSION TO
21 INSPECT ALL CRITICAL INFRASTRUCTURE AND EQUIPMENT OR CONDUCT CONTINUOUS
22 MONITORING OR UNIVERSAL PHYSICAL INSPECTIONS OF CRITICAL INFRASTRUCTURE
23 AND EQUIPMENT IN THIS STATE TO COMPLY WITH THIS SECTION. THE CORPORATION
24 COMMISSION SHALL IMPLEMENT A RISK-BASED OVERSIGHT PROGRAM THAT INCLUDES
25 ALL OF THE FOLLOWING:

26 1. A REQUIREMENT THAT EACH GOVERNMENTAL ENTITY AND CRITICAL
27 INFRASTRUCTURE SERVICE PROVIDER HAS COMPLETED THE SELF-CERTIFICATION THAT
28 IS REQUIRED BY SUBSECTION E OF THIS SECTION IN THE FORM OF A SWORN
29 STATEMENT UNDER PENALTY OF PERJURY.

30 2. A REQUIREMENT FOR A RANDOMIZED AUDIT THAT IS CONDUCTED ON A
31 STATISTICALLY SIGNIFICANT SAMPLE OF CRITICAL INFRASTRUCTURE SERVICE
32 PROVIDERS AND CRITICAL COMMUNICATIONS INFRASTRUCTURE PROVIDERS EACH YEAR.

33 3. A TARGETED AUDIT IF THE CORPORATION COMMISSION RECEIVES CREDIBLE
34 INTELLIGENCE, A COMPLAINT, A FEDERAL ADVISORY OR AN IDENTIFIED RISK
35 FACTOR.

36 4. A PROVISION THAT ALLOWS THE CORPORATION COMMISSION TO RELY ON
37 DETERMINATIONS, ADVISORIES OR PROHIBITIONS THAT ARE ISSUED BY A FEDERAL
38 AGENCY THAT HAS JURISDICTION OVER NATIONAL SECURITY OR COMMUNICATIONS
39 EQUIPMENT AND CYBERSECURITY IN THIS COUNTRY.

40 5. A PROVISION FOR SAFE HARBOR PROTECTIONS FOR CRITICAL
41 INFRASTRUCTURE SERVICE PROVIDERS AND CRITICAL COMMUNICATIONS
42 INFRASTRUCTURE PROVIDERS THAT REASONABLY RELY ON MANUFACTURER
43 CERTIFICATIONS AND SUPPLY-CHAIN DISCLOSURES IF THERE IS NOT EVIDENCE OF
44 WILFUL MISREPRESENTATION.

J. FOR THE PURPOSES OF THIS SECTION:

1. "CHINESE COMPANY":

(a) MEANS ANY COMPANY, OTHER THAN A UNITED STATES PERSON OR UNITED STATES SUBSIDIARY AS DEFINED IN 15 CODE OF FEDERAL REGULATIONS SECTION 772.1, THAT IS ANY OF THE FOLLOWING:

(i) DOMICILED, INCORPORATED, ISSUED OR LISTED IN THE PEOPLE'S REPUBLIC OF CHINA.

(ii) HEADQUARTERED IN THE PEOPLE'S REPUBLIC OF CHINA.

(iii) HAS ITS PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA.

(iv) CONTROLLED BY THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA, THE CHINESE COMMUNIST PARTY OR THE CHINESE MILITARY, OR ANY INSTRUMENTALITY THEREOF, INCLUDING THE STATE-OWNED ASSETS SUPERVISION AND ADMINISTRATION COMMISSION OF THE STATE COUNCIL OR THE NATIONAL SOCIAL SECURITY FUND.

(v) MAJORITY-OWNED BY AN ENTITY CONTROLLED BY THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA, THE CHINESE COMMUNIST PARTY OR THE CHINESE MILITARY, OR ANY INSTRUMENTALITY THEREOF, INCLUDING THE STATE-OWNED ASSETS SUPERVISION AND ADMINISTRATION COMMISSION OF THE STATE COUNCIL OR THE NATIONAL SOCIAL SECURITY FUND.

(b) DOES NOT INCLUDE A PARENT, SUBSIDIARY OR AFFILIATE COMPANY OF AN ENTITY PRESCRIBED IN SUBDIVISION (a) OF THIS PARAGRAPH IF THE PARENT, SUBSIDIARY OR AFFILIATE COMPANY DOES NOT MEET THE CRITERIA LISTED IN SUBDIVISION (a) OF THIS PARAGRAPH AND DOES NOT RECOGNIZE MORE THAN FIFTY PERCENT OF THE PARENT'S, SUBSIDIARY'S OR AFFILIATE COMPANY'S TOTAL ANNUAL GLOBAL REVENUE FROM CHINA AND HONG KONG COMBINED.

2. "CRITICAL COMMUNICATIONS INFRASTRUCTURE" MEANS ALL PHYSICAL BROADBAND INFRASTRUCTURE AND EQUIPMENT THAT SUPPORTS THE TRANSMISSION OF INFORMATION AND THAT ALLOWS THE USER TO ENGAGE IN COMMUNICATIONS, INCLUDING SERVICE PROVIDED DIRECTLY TO THE PUBLIC.

3. "CRITICAL INFRASTRUCTURE" MEANS INFRASTRUCTURE THAT IS OWNED OR OPERATED BY THIS STATE, A POLITICAL SUBDIVISION OF THIS STATE OR A PUBLICLY REGULATED UTILITY AND THAT IS ANY OF THE FOLLOWING:

(a) A GAS AND OIL PRODUCTION, STORAGE OR DELIVERY SYSTEM.

(b) A WATER SUPPLY REFINEMENT, STORAGE OR DELIVERY SYSTEM.

(c) AN ELECTRICAL POWER DELIVERY SYSTEM.

(d) A TELECOMMUNICATIONS NETWORK.

(e) A TRANSPORTATION SYSTEM AND SERVICE, NOT INCLUDING PASSENGER VEHICLES.

(f) A PERSONAL DATA STORAGE SYSTEM, INCLUDING CYBERSECURITY.

(g) AN EMERGENCY SERVICE.

4. "DOMICILED" MEANS LOCATED IN A COUNTRY WHERE EITHER THE COMPANY IS REGISTERED, THE COMPANY'S AFFAIRS ARE PRIMARILY COMPLETED OR THE MAJORITY OF THE COMPANY'S OWNERSHIP SHARES ARE HELD.

1 5. "SCHOOL BUS INFRACTION DETECTION SYSTEM" MEANS AN AUTOMATED
2 SYSTEM INSTALLED ON A SCHOOL BUS THAT CONSISTS OF CAMERAS, SENSORS AND
3 SOFTWARE DESIGNED TO DETECT, RECORD AND DOCUMENT TRAFFIC VIOLATIONS,
4 INCLUDING ILLEGALLY PASSING THE BUS WHEN ITS STOP ARM IS EXTENDED AND
5 WARNING LIGHTS ARE ACTIVATED, TO ENHANCE STUDENT SAFETY AND ENFORCE
6 COMPLIANCE WITH TRAFFIC LAWS.

7 Sec. 2. Title 44, Arizona Revised Statutes, is amended by adding
8 chapter 42, to read:

9 CHAPTER 42

10 CRITICAL INFRASTRUCTURE

11 ARTICLE 1. PROHIBITED AGREEMENTS

12 44-8051. Definition of critical infrastructure

13 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES, "CRITICAL
14 INFRASTRUCTURE" MEANS INFRASTRUCTURE THAT IS OWNED OR OPERATED BY THIS
15 STATE, A POLITICAL SUBDIVISION OF THIS STATE OR A PUBLICLY REGULATED
16 UTILITY AND THAT IS ANY OF THE FOLLOWING:

- 17 1. A GAS AND OIL PRODUCTION, STORAGE OR DELIVERY SYSTEM.
- 18 2. A WATER SUPPLY REFINEMENT, STORAGE OR DELIVERY SYSTEM.
- 19 3. AN ELECTRICAL POWER DELIVERY SYSTEM.
- 20 4. A TELECOMMUNICATIONS NETWORK.
- 21 5. A TRANSPORTATION SYSTEM AND SERVICE, NOT INCLUDING PASSENGER
22 VEHICLES.
- 23 6. A PERSONAL DATA STORAGE SYSTEM, INCLUDING CYBERSECURITY.
- 24 7. AN EMERGENCY SERVICE.

25 44-8052. Critical infrastructure; prohibited agreements and
26 contracts; exceptions; secure and dedicated
27 communications channel

28 A. EXCEPT AS PROVIDED IN SUBSECTION B OF THIS SECTION, A
29 GOVERNMENTAL ENTITY OR A PUBLICLY REGULATED UTILITY IN THIS STATE MAY NOT
30 ENTER INTO AN AGREEMENT OR CONTRACT INVOLVING CRITICAL INFRASTRUCTURE IN
31 THIS STATE WITH THE PEOPLE'S REPUBLIC OF CHINA IF UNDER THE AGREEMENT OR
32 CONTRACT THE PEOPLE'S REPUBLIC OF CHINA, DIRECTLY OR REMOTELY, WOULD BE
33 ABLE TO ACCESS OR CONTROL CRITICAL INFRASTRUCTURE IN THIS STATE.

34 B. A GOVERNMENTAL ENTITY OR A PUBLICLY REGULATED UTILITY IN THIS
35 STATE MAY ENTER INTO AN AGREEMENT OR CONTRACT INVOLVING CRITICAL
36 INFRASTRUCTURE IN THIS STATE WITH THE PEOPLE'S REPUBLIC OF CHINA IF ANY OF
37 THE FOLLOWING APPLIES:

- 38 1. NO OTHER REASONABLE OPTION EXISTS FOR ADDRESSING A NEED THAT IS
39 RELEVANT TO CRITICAL INFRASTRUCTURE IN THIS STATE.
- 40 2. THE AGREEMENT OR CONTRACT IS APPROVED BY THE CORPORATION
41 COMMISSION.
- 42 3. NOT ENTERING INTO THE AGREEMENT OR CONTRACT WOULD POSE A GREATER
43 THREAT TO THIS STATE THAN THE THREAT ASSOCIATED WITH ENTERING INTO THE
44 AGREEMENT OR CONTRACT.

1 C. THE DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS SHALL ESTABLISH
2 A SECURE AND DEDICATED COMMUNICATIONS CHANNEL FOR CRITICAL INFRASTRUCTURE
3 PROVIDERS AND MILITARY INSTALLATIONS ACROSS THIS STATE TO CONNECT WITH THE
4 DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS AND THE OFFICE OF THE
5 GOVERNOR IN THE EVENT OF AN EMERGENCY THAT DAMAGES CRITICAL COMMUNICATIONS
6 INFRASTRUCTURE. FOR THE PURPOSES OF THIS SUBSECTION, "CRITICAL
7 COMMUNICATIONS INFRASTRUCTURE" HAS THE SAME MEANING PRESCRIBED IN SECTION
8 18-105.

9 Sec. 3. Short title

10 This act may be cited as the "Arizona Critical Infrastructure
11 Protection Act".