

REFERENCE TITLE: critical infrastructure; foreign adversaries; prohibition

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

HB 2134

Introduced by
Representative Kupper

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 technologies 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
22 SUBSECTION. EACH QUARTER, THE CORPORATION COMMISSION SHALL PRODUCE A MAP
23 OF THIS STATE THAT DETAILS THE GEOGRAPHIC AREAS SERVICED BY CRITICAL
24 COMMUNICATIONS INFRASTRUCTURE AND THAT INCLUDES AREAS WHERE EQUIPMENT THAT
25 IS MANUFACTURED BY A CHINESE COMPANY IS LOCATED.

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

31 D. A GOVERNMENTAL ENTITY OR A CRITICAL INFRASTRUCTURE SERVICE
32 PROVIDER IN THIS STATE MAY NOT ENTER INTO OR RENEW A CONTRACT WITH A
33 CHINESE COMPANY IF THE CONTRACT PROVIDES THE CHINESE COMPANY WITH DIRECT
34 OR INDIRECT ACCESS TO THE CRITICAL INFRASTRUCTURE.

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

F. ON OR BEFORE DECEMBER 31, 2026 AND EACH YEAR THEREAFTER, THE CORPORATION COMMISSION SHALL PUBLISH A LIST OF ALL TECHNOLOGIES THAT ARE PROHIBITED PURSUANT TO THIS SECTION FROM BEING ATTACHED TO CRITICAL INFRASTRUCTURE OR CONNECTED TO THE OPERATING SYSTEM THAT IS USED BY THE CRITICAL INFRASTRUCTURE AND SHALL POST THE LIST ON THE CORPORATION COMMISSION'S WEBSITE. THE LIST MUST INCLUDE, AT A MINIMUM, ANY WI-FI ROUTER AND MODEM SYSTEM, ANY CAMERA-BASED SCHOOL BUS INFRACTION DETECTION SYSTEM, SPEED DETECTION SYSTEM, TRAFFIC INFRACTION DETECTOR SYSTEM AND OTHER CAMERA SYSTEM, BATTERY TECHNOLOGY OR SMART METER TECHNOLOGY, SOLAR INVERTERS AND ANY PRODUCT THAT CONTAINS CELLULAR INTERNET-OF-THINGS MODULES THAT ARE PRODUCED BY A CHINESE COMPANY.

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

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

1. THERE ARE NO OTHER REASONABLE PROVIDERS OF THE PROHIBITED TECHNOLOGY.

2. THE PURCHASE OR USE OF THE PROHIBITED TECHNOLOGY IS PREAPPROVED BY THE CORPORATION COMMISSION.

3. NOT PURCHASING OR USING THE PROHIBITED TECHNOLOGY WOULD POSE A GREATER THREAT TO THIS STATE THAN THE THREAT ASSOCIATED WITH THE PROHIBITED TECHNOLOGY.

I. 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

1 SUPERVISION AND ADMINISTRATION COMMISSION OF THE STATE COUNCIL OR THE
2 NATIONAL SOCIAL SECURITY FUND.

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

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

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

- 16 (a) A GAS AND OIL PRODUCTION, STORAGE OR DELIVERY SYSTEM.
- 17 (b) A WATER SUPPLY REFINEMENT, STORAGE OR DELIVERY SYSTEM.
- 18 (c) AN ELECTRICAL POWER DELIVERY SYSTEM.
- 19 (d) A TELECOMMUNICATIONS NETWORK.
- 20 (e) A TRANSPORTATION SYSTEM AND SERVICE.
- 21 (f) A PERSONAL DATA STORAGE SYSTEM, INCLUDING CYBERSECURITY.
- 22 (g) AN EMERGENCY SERVICE.

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

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

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

34 CHAPTER 42

35 CRITICAL INFRASTRUCTURE

36 ARTICLE 1. PROHIBITED AGREEMENTS

37 44-8051. Definition of critical infrastructure

38 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES, "CRITICAL
39 INFRASTRUCTURE" MEANS INFRASTRUCTURE THAT IS OWNED OR OPERATED BY THIS
40 STATE, A POLITICAL SUBDIVISION OF THIS STATE OR A PUBLICLY REGULATED
41 UTILITY AND THAT IS ANY OF THE FOLLOWING:

- 42 1. A GAS AND OIL PRODUCTION, STORAGE OR DELIVERY SYSTEM.
- 43 2. A WATER SUPPLY REFINEMENT, STORAGE OR DELIVERY SYSTEM.
- 44 3. AN ELECTRICAL POWER DELIVERY SYSTEM.
- 45 4. A TELECOMMUNICATIONS NETWORK.

1 5. A TRANSPORTATION SYSTEM AND SERVICE.

2 6. A PERSONAL DATA STORAGE SYSTEM, INCLUDING CYBERSECURITY.

3 7. AN EMERGENCY SERVICE.

4 44-8052. Critical infrastructure; prohibited agreements and
5 contracts; exceptions; secure and dedicated
6 communications channel

7 A. EXCEPT AS PROVIDED IN SUBSECTION B OF THIS SECTION, A
8 GOVERNMENTAL ENTITY OR A PUBLICLY REGULATED UTILITY IN THIS STATE MAY NOT
9 ENTER INTO AN AGREEMENT OR CONTRACT INVOLVING CRITICAL INFRASTRUCTURE IN
10 THIS STATE WITH THE PEOPLE'S REPUBLIC OF CHINA IF UNDER THE AGREEMENT OR
11 CONTRACT THE PEOPLE'S REPUBLIC OF CHINA, DIRECTLY OR REMOTELY, WOULD BE
12 ABLE TO ACCESS OR CONTROL CRITICAL INFRASTRUCTURE IN THIS STATE.

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

17 1. NO OTHER REASONABLE OPTION EXISTS FOR ADDRESSING A NEED THAT IS
18 RELEVANT TO CRITICAL INFRASTRUCTURE IN THIS STATE.

19 2. THE AGREEMENT OR CONTRACT IS PREAPPROVED BY THE CORPORATION
20 COMMISSION.

21 3. NOT ENTERING INTO THE AGREEMENT OR CONTRACT WOULD POSE A GREATER
22 THREAT TO THIS STATE THAN THE THREAT ASSOCIATED WITH ENTERING INTO THE
23 AGREEMENT OR CONTRACT.

24 C. THE CORPORATION COMMISSION SHALL ESTABLISH A SECURE AND
25 DEDICATED COMMUNICATIONS CHANNEL FOR CRITICAL INFRASTRUCTURE PROVIDERS AND
26 MILITARY INSTALLATIONS ACROSS THIS STATE TO CONNECT WITH THE CORPORATION
27 COMMISSION AND THE OFFICE OF THE GOVERNOR IN THE EVENT OF AN EMERGENCY
28 THAT DAMAGES CRITICAL COMMUNICATIONS INFRASTRUCTURE. FOR THE PURPOSES OF
29 THIS SUBSECTION, "CRITICAL COMMUNICATIONS INFRASTRUCTURE" HAS THE SAME
30 MEANING PRESCRIBED IN SECTION 18-105.

31 Sec. 3. Short title

32 This act may be cited as the "Arizona Critical Infrastructure
33 Protection Act".