

Senate Engrossed

telecommunications infrastructure; equipment requirements

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SENATE BILL 1046

AN ACT

AMENDING TITLE 18, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 8; RELATING
TO INFORMATION TECHNOLOGY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 18, Arizona Revised Statutes, is amended by adding
3 chapter 8, to read:

4 CHAPTER 8

5 PROHIBITED TELECOMMUNICATIONS INFRASTRUCTURE

6 ARTICLE 1. GENERAL PROVISIONS

7 18-801. Definitions

8 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE" MEANS ALL PHYSICAL
10 BROADBAND INFRASTRUCTURE AND EQUIPMENT THAT MEET ALL OF THE FOLLOWING
11 REQUIREMENTS:

12 (a) SUPPORT THE TRANSMISSION OF INFORMATION OF A USER'S CHOOSING,
13 REGARDLESS OF THE TRANSMISSION MEDIUM OR TECHNOLOGY EMPLOYED.

14 (b) CONNECT TO A NETWORK THAT IS OWNED BY A PUBLICLY REGULATED
15 UTILITY AND THAT ALLOWS THE END USER TO ENGAGE IN COMMUNICATIONS,
16 INCLUDING SERVICE PROVIDED DIRECTLY TO THE PUBLIC OR TO THE CLASSES OF
17 USES AS TO BE EFFECTIVELY AVAILABLE DIRECTLY TO THE PUBLIC.

18 (c) CONTAIN AT LEAST ONE MICROCHIP.

19 2. "FOREIGN ADVERSARY" MEANS THE PEOPLE'S REPUBLIC OF CHINA.

20 3. "TELECOMMUNICATIONS PROVIDER" MEANS ANY CORPORATION, PUBLIC OR
21 PRIVATE, THAT OFFERS TELECOMMUNICATIONS SERVICES.

22 4. "TELECOMMUNICATIONS SERVICES" HAS THE SAME MEANING PRESCRIBED IN
23 SECTION 9-581.

24 18-802. Critical telecommunications infrastructure;
25 prohibited equipment; replacement; notification

26 A. A CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE THAT IS LOCATED
27 WITHIN OR THAT SERVES THIS STATE MUST BE CONSTRUCTED WITHOUT INCLUDING ANY
28 EQUIPMENT THAT IS MANUFACTURED BY A FOREIGN ADVERSARY.

29 B. A CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE THAT IS LOCATED
30 WITHIN OR THAT SERVES THIS STATE MUST BE CONSTRUCTED WITHOUT HAVING ANY
31 EQUIPMENT THAT IS MANUFACTURED IN OR BY, INCLUDING ANY EQUIPMENT WHOSE
32 CRITICAL OR NECESSARY COMPONENTS ARE MANUFACTURED IN OR BY, A FOREIGN
33 ADVERSARY, A STATE-OWNED ENTERPRISE OF A FOREIGN ADVERSARY, A COMPANY THAT
34 IS DOMICILED WITHIN A FOREIGN ADVERSARY OR A COMPANY THAT IS OWNED BY A
35 FOREIGN ADVERSARY OR WHERE A FOREIGN ADVERSARY IS ENTITLED TO CONTROL THE
36 COMPANY BY THE COMPANY'S GOVERNING DOCUMENTS, A FOREIGN ADVERSARY
37 STATE-OWNED ENTERPRISE OR A FOREIGN ADVERSARY-DOMICILED COMPANY.

38 C. A CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE THAT OPERATES
39 WITHIN OR THAT SERVES THIS STATE, INCLUDING ANY CRITICAL
40 TELECOMMUNICATIONS INFRASTRUCTURE THAT IS NOT PERMANENTLY DISABLED, MUST
41 REMOVE AND REPLACE ALL EQUIPMENT THAT IS PROHIBITED BY THIS SECTION WITH
42 EQUIPMENT THAT IS NOT PROHIBITED BY THIS SECTION.

43 D. A TELECOMMUNICATIONS PROVIDER THAT REMOVES, DISCONTINUES OR
44 REPLACES ANY PROHIBITED TELECOMMUNICATIONS EQUIPMENT OR SERVICE IS NOT
45 REQUIRED TO OBTAIN ANY ADDITIONAL PERMIT FROM ANY STATE AGENCY OR

1 POLITICAL SUBDIVISION OF THIS STATE TO REMOVE, DISCONTINUE OR REPLACE THE
2 TELECOMMUNICATIONS EQUIPMENT OR SERVICE IF THE STATE AGENCY OR POLITICAL
3 SUBDIVISION OF THIS STATE IS PROPERLY NOTIFIED OF THE NECESSARY REMOVAL,
4 DISCONTINUATION OR REPLACEMENT AND ANY REPLACEMENT TELECOMMUNICATIONS
5 EQUIPMENT IS SIMILAR TO THE EXISTING TELECOMMUNICATIONS EQUIPMENT.

6 18-803. Telecommunications providers; critical
7 telecommunications infrastructure; corporation
8 commission oversight; violations; civil penalties;
9 prohibition on receiving state and federal monies

10 A. ON OR BEFORE JANUARY 1 OF EACH YEAR, EACH TELECOMMUNICATIONS
11 PROVIDER SHALL CERTIFY TO THE CORPORATION COMMISSION THAT ALL CRITICAL
12 TELECOMMUNICATIONS INFRASTRUCTURE AND EQUIPMENT WITHIN THE
13 TELECOMMUNICATIONS PROVIDER'S OPERATION DO NOT USE OR PROVIDE ANY
14 TELECOMMUNICATIONS EQUIPMENT OR SERVICE THAT IS PROHIBITED BY SECTION
15 18-802.

16 B. A TELECOMMUNICATIONS PROVIDER THAT VIOLATES THIS SECTION IS
17 SUBJECT TO A CIVIL PENALTY OF AT LEAST \$10,000 PER DAY AND NOT MORE THAN
18 \$100,000 PER DAY OF NONCOMPLIANCE WITH THIS SECTION.

19 C. A TELECOMMUNICATIONS PROVIDER THAT KNOWINGLY SUBMITS A FALSE
20 CERTIFICATION PURSUANT TO SUBSECTION A OF THIS SECTION IS SUBJECT TO A
21 CIVIL PENALTY OF AT LEAST \$10,000 PER DAY AND NOT MORE THAN \$100,000 PER
22 DAY OF NONCOMPLIANCE.

23 D. A TELECOMMUNICATIONS PROVIDER THAT FAILS TO COMPLY WITH THIS
24 SECTION IS PROHIBITED FROM RECEIVING ANY STATE OR LOCAL MONIES TO DEVELOP
25 OR SUPPORT NEW OR EXISTING CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE AND
26 IS PROHIBITED FROM RECEIVING ANY FEDERAL MONIES THAT ARE SUBJECT TO
27 DISTRIBUTION BY STATE OR LOCAL GOVERNMENTS TO DEVELOP OR SUPPORT NEW OR
28 EXISTING CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE.

29 Sec. 2. Purpose

30 The purpose of this act is to secure Arizona's telecommunications
31 grid and protect national security by eliminating from Arizona's
32 telecommunications grid telecommunications hardware and software that come
33 from foreign adversaries and sanctioned entities.

34 Sec. 3. Effective date

35 This act is effective from and after December 31, 2026.

36 Sec. 4. Short title

37 This act shall be known and may be cited as the "Secure
38 Telecommunications Act of 2026".