

REFERENCE TITLE: foreign adversary fraud office; appropriation

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

SB 1308

Introduced by
Senator Petersen

AN ACT

AMENDING TITLE 41, CHAPTER 1, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-191.14; REPEALING SECTION 41-191.14, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 41, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-4274; REPEALING SECTION 41-4274, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO THE ATTORNEY GENERAL.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 41, chapter 1, article 5, Arizona Revised
3 Statutes, is amended by adding section 41-191.14, to read:

4 41-191.14. Foreign adversary fraud office; fund; definition

5 A. THE FOREIGN ADVERSARY FRAUD OFFICE IS ESTABLISHED IN THE
6 ATTORNEY GENERAL'S OFFICE. THE OFFICE SHALL BRING LEGAL CLAIMS AGAINST
7 ENTITIES IN THIS STATE THAT ARE SUSPECTED OF VIOLATING CONSUMER FRAUD LAWS
8 IN THE MARKETING, DISTRIBUTION OR SALE OF ANY TECHNOLOGY THAT IS PRODUCED
9 BY A FOREIGN ADVERSARY.

10 B. THE ATTORNEY GENERAL SHALL APPOINT THE DIRECTOR OF THE OFFICE.

11 C. AT THE DISCRETION OF THE ATTORNEY GENERAL, THE OFFICE MAY PURSUE
12 ANY INVESTIGATION, LITIGATION STRATEGY OR LEGAL ACTIVITY TO DEFEND THIS
13 STATE AGAINST FOREIGN ADVERSARIES.

14 D. THE FOREIGN ADVERSARY FRAUD FUND IS ESTABLISHED CONSISTING OF
15 LEGISLATIVE APPROPRIATIONS. MONIES IN THE FUND ARE CONTINUOUSLY
16 APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING
17 TO THE LAPSING OF APPROPRIATIONS, EXCEPT THAT ALL MONIES IN THE FUND
18 EXCEEDING \$10,000,000 AT THE END OF THE FISCAL YEAR ARE TRANSFERRED TO THE
19 FOREIGN ADVERSARY TECHNOLOGY RIP AND REPLACE FUND ESTABLISHED BY SECTION
20 41-4274. THE ATTORNEY GENERAL'S OFFICE SHALL ADMINISTER THE FUND. THE
21 ATTORNEY GENERAL SHALL USE MONIES IN THE FUND TO PROVIDE RESOURCES FOR THE
22 FOREIGN ADVERSARY FRAUD OFFICE, TO STAFF THE FOREIGN ADVERSARY FRAUD
23 OFFICE AND FOR LITIGATION COSTS ASSOCIATED WITH BRINGING LEGAL CLAIMS
24 PURSUANT TO THIS SECTION.

25 E. FOR THE PURPOSES OF THIS SECTION, "FOREIGN ADVERSARY" MEANS A
26 COUNTRY THAT IS DETERMINED TO BE A FOREIGN ADVERSARY PURSUANT TO 15 CODE
27 OF FEDERAL REGULATIONS SECTION 791.4.

28 Sec. 2. Delayed repeal

29 Section 41-191.14, Arizona Revised Statutes, as added by this act,
30 is repealed from and after December 31, 2030.

31 Sec. 3. Title 41, chapter 41, article 2, Arizona Revised Statutes,
32 is amended by adding section 41-4274, to read:

33 41-4274. Foreign adversary technology rip and replace fund;
34 critical infrastructure; audit; definitions

35 A. THE FOREIGN ADVERSARY TECHNOLOGY RIP AND REPLACE FUND IS
36 ESTABLISHED CONSISTING OF LEGISLATIVE APPROPRIATIONS AND MONIES DEPOSITED
37 PURSUANT TO SECTION 41-191.14. MONIES IN THE FUND ARE CONTINUOUSLY
38 APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING
39 TO THE LAPSING OF APPROPRIATIONS. THE DEPARTMENT SHALL ADMINISTER THE
40 FUND. MONIES IN THE FUND SHALL BE USED TO REPLACE ANY TECHNOLOGY THAT IS
41 PRODUCED BY A FOREIGN ADVERSARY FROM ANY CRITICAL INFRASTRUCTURE.

42 B. THE DEPARTMENT SHALL CREATE A LIST OF ALL CRITICAL
43 INFRASTRUCTURE TO AUDIT BASED ON THE SECURITY RISK POSED BY THE PRESENCE
44 OF ANY TECHNOLOGY THAT IS PRODUCED BY A FOREIGN ADVERSARY.

1 C. FOR THE PURPOSES OF THIS SECTION:
2 1. "CRITICAL INFRASTRUCTURE" MEANS INFRASTRUCTURE THAT IS OWNED OR
3 OPERATED BY THIS STATE, A POLITICAL SUBDIVISION OF THIS STATE OR A
4 PUBLICLY REGULATED UTILITY AND THAT IS ANY OF THE FOLLOWING:
5 (a) A GAS AND OIL PRODUCTION, STORAGE OR DELIVERY SYSTEM.
6 (b) A WATER SUPPLY REFINEMENT, STORAGE OR DELIVERY SYSTEM.
7 (c) AN ELECTRICAL POWER DELIVERY SYSTEM.
8 (d) A TELECOMMUNICATIONS NETWORK.
9 (e) A TRANSPORTATION SYSTEM AND SERVICE.
10 (f) A PERSONAL DATA STORAGE SYSTEM, INCLUDING CYBERSECURITY.
11 (g) AN EMERGENCY SERVICE.
12 2. "FOREIGN ADVERSARY" MEANS A COUNTRY THAT IS DETERMINED TO BE A
13 FOREIGN ADVERSARY PURSUANT TO 15 CODE OF FEDERAL REGULATIONS SECTION
14 791.4.
15 Sec. 4. Delayed repeal
16 Section 41-4274, Arizona Revised Statutes, as added by this act, is
17 repealed from and after December 31, 2031.
18 Sec. 5. Appropriation; foreign adversary fraud fund;
19 exemption
20 A. The sum of \$500,000 is appropriated from the state general fund
21 in fiscal year 2026-2027 to the foreign adversary fraud fund established
22 by section 41-191.14, Arizona Revised Statutes, as added by this act.
23 B. The appropriation made in subsection A of this section is exempt
24 from the provisions of section 35-190, Arizona Revised Statutes, relating
25 to lapsing of appropriations.