

ASSEMBLY, No. 535

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

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SYNOPSIS

Prohibits any foreign company created under laws of foreign adversary from participating in critical infrastructure.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning critical infrastructure and supplementing
2 chapter 9 of Appendix A.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. a. As used in this section:

8 "Critical infrastructure" means property and equipment owned or
9 used by communication networks, electric generation, transmission,
10 and distribution systems, gas distribution systems, water pipelines,
11 and related support facilities that serve multiple customers and
12 residents, including, but not limited to, real and personal property
13 such as buildings, offices, lines, poles, pipes, structures, and
14 equipment.

15 "Foreign adversary" means any foreign government determined
16 by the United States Secretary of Commerce to have engaged in a
17 long-term pattern or serious instances of conduct significantly
18 adverse to the national security of the United States or the security
19 and safety of United States persons.

20 b. Notwithstanding any law, rule, or regulation to the contrary,
21 the State of New Jersey, and all agencies or political subdivisions
22 thereof, shall not allow the participation of a foreign company
23 created under the laws of any foreign adversary in the construction,
24 maintenance, or control of any critical infrastructure in this State.

25 c. This section shall not apply to agreements entered into prior
26 to the enactment date of P.L. , c. (C.) (pending before the
27 Legislature as this bill), except that any agreement that contradicts
28 the provisions of this section shall not be renewed.

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30 2. This act shall take immediately.

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33 STATEMENT

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35 This bill prohibits any foreign company created under the laws of
36 a foreign adversary from participating in critical infrastructure in
37 this State.

38 The bill defines "foreign adversary" to mean any foreign
39 government determined by the United States Secretary of
40 Commerce to have engaged in a long-term pattern or serious
41 instances of conduct significantly adverse to the national security of
42 the United States or the security and safety of United States
43 persons.

44 Under the bill, the State of New Jersey, and all agencies or
45 political subdivisions thereof, are prohibited from allowing a
46 foreign company created under the laws of a foreign adversary to
47 participate in the construction, maintenance, or control of any
48 critical infrastructure in this State.

1 Critical infrastructure includes communication networks, electric
2 generation, gas distribution systems, water pipelines, and related
3 support facilities, such as buildings, offices, lines, poles, pipes,
4 structures, and equipment. The State’s safety, security, and stability
5 depend on protecting critical infrastructure from foreign
6 adversaries. The disruption of these key services would
7 significantly disrupt the well-being of the people of this State and
8 the functioning of the economy. The involvement of a foreign
9 company created under the laws of a foreign adversary raises
10 substantial security threats, such as cyber-attacks or the intentional
11 disruption of services. Accordingly, to protect against risks posed
12 by foreign adversaries, it is crucial to ensure that only trusted
13 entities control the State’s critical infrastructure.