FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: CS/HB 925 COMPANION BILL: SB 912 (Collins)

TITLE: Threats from Foreign Nations
SPONSOR(S): Redondo

LINKED BILLS: None
RELATED BILLS: None

Committee References

Judiciary 18 Y. 0 N. As CS

SUMMARY

Effect of the Bill:

The bill creates the "Florida Critical Infrastructure Protection Act" to prohibit foreign adversaries from accessing or controlling critical infrastructure. Under the bill, a governmental entity; an entity constructing, repairing, operating, or otherwise having significant access to critical infrastructure; or a foreign principal may not enter into a contract or other agreement relating to critical infrastructure within this state if the contract or agreement authorizes a foreign principal to directly or remotely access or otherwise control such critical infrastructure. The bill directs the Department of Commerce to establish registration requirements for any entity contracting with a foreign principal that constructs, repairs, operates, or otherwise has significant access to critical infrastructure, and creates a civil penalty for failing to comply with such requirements. Additionally, the bill creates misdemeanor penalties if a person or entity unlawfully enters into a specified contract or agreement related to critical infrastructure.

Fiscal or Economic Impact:

The bill may have an indeterminate fiscal impact on state government, local government, and the private sector by limiting which parties may enter into specified contracts related to critical infrastructure, and by creating fines associated with failing to register specified information related to specified contracts related to critical infrastructure. The bill may also have an indeterminate positive impact on jail beds by creating misdemeanor offenses related to unlawfully entering into a specified contract or agreement related to critical infrastructure.

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ANALYSIS

EFFECT OF THE BILL:

The bill creates the "Florida Critical Infrastructure Protection Act" to prohibit foreign adversaries from accessing critical infrastructure within this state. (Section 2).

The bill prohibits a governmental entity; an entity constructing, repairing, operating, or otherwise having significant access to critical infrastructure; or a foreign principal from entering into a contract or other agreement relating to critical infrastructure within this state if the contract or agreement authorizes a foreign principal to directly or remotely access or otherwise control such critical infrastructure. A violation of the prohibitions by any person or entity is a second degree misdemeanor. (Section $\underline{2}$)

Under the bill, beginning January 1, 2026, any entity constructing, repairing, operating, or otherwise having significant access to critical infrastructure in this state that entered into a contract or agreement with a foreign principal relating to such critical infrastructure prior to July 1, 2025, must register by January 1 of each year for the remainder of the term of the contract or agreement with a foreign principal relating to such critical infrastructure. The bill directs the Department of Commerce (Department) to adopt a registration form, which, at minimum, must include all of the following:

• The name of the entity constructing, repairing, operating, or otherwise having significant access to critical infrastructure within this state.

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- The address of the critical infrastructure the entity is constructing, repairing, operating, or to which the entity has significant access.
- A description of the specific terms of the contract or agreement that authorize a foreign principal to engage in constructing, repairing, operating, or to otherwise have significant access to such critical infrastructure. (Section 2)

Any entity that fails to timely file such registration with the Department is subject to a civil penalty of \$1,000 for each day the violation continues. (Section $\underline{2}$)

The bill requires entities, prior to commencing any sale or other transfer of control of critical infrastructure within this state, to provide an affidavit to the Department, signed under penalty of perjury, attesting that the buyer or transferee is not a foreign principal. (Section $\underline{2}$)

Finally, the bill prohibits computer software produced or manufactured by a company headquartered in and subject to the laws of a foreign country of concern, or a company under the direction or control of a foreign country of concern, from being used in critical infrastructure located within or serving this state. (Section 2)

The bill provides the following definitions:

- "Computer software" means any information, program, or routine, or any collection of information or set of one or more programs or routines used or intended to be used to convey information or to cause one or more computers or pieces of computer-related peripheral equipment, or any combination thereof, to perform a task or set of tasks.
- "Critical infrastructure" means any publicly or privately owned:
 - o Chemical manufacturing facility.
 - o Refinery.
 - o Electrical power plant as defined in <u>s. 403.031(4), F.S.</u>
 - o Water treatment facility or wastewater treatment plant.
 - Liquid natural gas terminal.
 - o Telecommunications central switching office.
 - Gas processing plant, including a plant used in the processing, treatment, or fractionation of natural gas.
 - o Seaport as listed in s. 311.09, F.S.
 - o Spaceport territory as defined in s. 331.303(19), F.S.
 - o Airport as defined in <u>s. 333.01, F.S.</u>
- "Foreign country of concern" means:
 - o The People's Republic of China
 - o The Russian Federation.
 - o The Islamic Republic of Iran.
 - o The Democratic People's Republic of Korea.
 - The Republic of Cuba.
 - o The Venezuelan regime of Nicolás Maduro.
 - o The Syrian Arab Republic.
 - Any agency of or any other entity of significant control of, one of the above-listed foreign countries of concern.
- "Foreign principal" means:
 - o The government or any official of the government of a foreign country of concern;
 - A political party or member of a political party or any subdivision of a political party in a foreign country of concern;
 - A partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country of concern, or a subsidiary of such entity;
 - o Any person who is domiciled in a foreign country of concern and is not a citizen or lawful permanent resident of the United States; or

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 Any person, entity, or collection of persons or entities, as described above, having a controlling interest in a partnership, association, corporation, organization, trust, or any other legal entity or subsidiary formed for the purpose of owning real property in this state. (Section 2)

The effective date of the bill is July 1, 2025. (Section $\underline{3}$)

RULEMAKING:

The bill directs the Department of Commerce to adopt rules to implement the Florida Critical Infrastructure Protection Act.

Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill may have an indeterminate fiscal impact on state government by limiting which parties may enter into specified contracts related to critical infrastructure, and by creating fines associated with failing to register specified information related to specified contracts and agreements related to critical infrastructure.

LOCAL GOVERNMENT:

The bill may have an indeterminate positive impact on jail beds by creating misdemeanor offenses related to unlawfully entering into a specified contract or agreement related to critical infrastructure.

PRIVATE SECTOR:

The bill may have an indeterminate fiscal impact on the private sector by limiting which parties may enter into specified contracts or agreements related to critical infrastructure, and may have an indeterminate negative impact on the private sector by creating fines associated with failing to register specified information related to specified contracts or agreements related to critical infrastructure with the Department.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Conveyances to Foreign Entities

Chapter 692, F.S., contains provisions related to conveyances to foreign entities, including prohibiting, subject to specified regulations:

- Foreign principals from owning or acquiring agricultural land under s. 692.202, F.S.
- Foreign principals from owning or acquiring real property¹ on or within 10 miles of a military installation² or critical infrastructure facility under <u>s. 692.203</u>, <u>F.S.</u>
- The ownership or acquisition of real property by an entity affiliated with the People's Republic of China under <u>s. 692.204, F.S.</u>

If a foreign principal acquired an interest in agricultural land or real property on or around military installations or critical infrastructure facilities before July 1, 2023, chapter 692, F.S., requires the foreign principal to register specified information with either the Department of Agriculture and Consumer Services (DACS) or the Department of Commerce, including:

- For agricultural lands, the:
 - Name of the owner of the agricultural land or the owner of the interest in such land.

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¹ Real property" means land, buildings, fixtures, and all other improvements to land. S. 692.201(6), F.S.

² "Military installation" means a base, camp, post, station, yard, or center encompassing at least 10 contiguous acres that is under the jurisdiction of the Department of Defense or its affiliates. S. <u>692.201(5)</u>, F.S.

- Address of the agricultural land, the property appraiser's parcel identification number, and the property's legal description.
- o Number of acres of the agricultural land.3
- For lands within 10 miles of a military installation or critical infrastructure facility, the:
 - Name of the owner of the real property.⁴
 - Address of the real property, the property appraiser's parcel identification number, and the property's legal description.⁵

A foreign principal that fails to timely file such registration with DACS or the Department of Commerce is subject to a civil penalty of \$1,000 for each day that the registration is late.⁶

<u>Criminal Penalties Related to Conveyances to Foreign Entities</u>

Chapter 692, F.S., provides specified criminal penalties as follows:

- A foreign principal that purchases or acquires agricultural land, or purchases or acquires real property on or within 10 miles of a military installation or critical infrastructure, without complying with specified regulations, commits a second degree misdemeanor.^{7,8}
- A person who knowingly sells agricultural land, or knowingly sells real property on or within 10 miles of a
 military installation or critical infrastructure facility, or any interest therein, without complying with
 specified regulations, commits a second degree misdemeanor.9
- An entity affiliated with the People's Republic of China who owns or acquires real property, without complying with specified regulations, commits a third degree felony. 10,11
- A person who knowingly sells real property or any interest therein to an entity affiliated with the People's Republic of China, without complying with specified regulations, commits a first degree misdemeanor.^{12,13}

Protections for Critical Infrastructure

Section <u>812.141, F.S.</u>, prohibits specified conduct related to critical infrastructure. For example, a person commits a second degree felony¹⁴ if he or she:

- Knowingly and intentionally improperly tampers with critical infrastructure which results in:
 - o Damage to such critical infrastructure that is \$200 or more; or
 - The interruption or impairment of the function of such critical infrastructure which costs \$200 or more in labor and supplies to restore. 15
- Willfully, knowingly, and without authorization physically tampers with, inserts a computer contaminant into, or otherwise transmits commands or electronic communications to, a computer, a computer system, a

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³ S. 692.202, F.S.

⁴ Ss. <u>692.203</u> and <u>692.204, F.S.</u>

⁵ *Id.*

⁶ Ss. <u>692.202</u>-<u>692.204</u>, F.S.

⁷ Ss. <u>692.202</u> and <u>692.203</u>, F.S.

⁸ A second degree misdemeanor is punishable by up to 60 days in county jail and a \$500 fine. Ss. 775.082 and 775.083, F.S.

⁹ Ss. 692.202 and 692.203, F.S.

¹⁰ S. 692.204, F.S.

¹¹ A third degree felony is punishable by up to five years in prison and a \$5,000 fine. <u>Ss. 775.082, F.S.</u>, <u>775.083, F.S.</u>, or <u>775.084, F.S.</u>

¹² S. <u>692.204, F.S.</u>

¹³ A first degree misdemeanor is punishable by up to one year in county jail and a \$1,000 fine. Ss. 775.082 and 775.083, F.S.

¹⁴ A second degree felony is punishable by up to 15 years in prison and a \$10,000 fine. <u>Ss. 775.082, F.S.</u>, <u>775.083, F.S.</u>, or <u>775.084, F.S.</u>

¹⁵ S. <u>812.141(2)</u>, F.S.

computer network, or an electronic device that causes a disruption in any service delivered by any critical infrastructure. 16,17

A person commits a third degree felony if he or she:

- Without being authorized, licensed, or invited, willfully enters upon or remains on critical infrastructure as
 to which notice against entering or remaining in is given, either by actual communication to the offender or
 by posting, fencing, or cultivation as described in <u>s. 810.011, F.S.</u>¹⁸
- Willfully, knowingly, and without authorization gains access to a computer, a computer system, a computer network, or an electronic device that is owned, operated, or used by any critical infrastructure entity while knowing that such access is unauthorized.¹⁹

RECENT LEGISLATION:

YEAR	BILL#	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2023	CS/CS/SB 264	Borrero	Collins	Became law on July 1, 2023.

- A chemical or rubber manufacturing or storage facility.
- A mining facility.
- A natural gas or compressed gas compressor station or storage facility.
- A gas processing plant, including a plant used in the processing, treatment, or fractionation of natural gas.
- A liquid natural gas or propane gas terminal or storage facility with a capacity of 4,000 gallons or more.
- A wireless or wired communications facility, including the tower, antennae, support structures, and all associated ground-based equipment.
- A water intake structure, water treatment facility, wastewater treatment plant, pump station, or lift station.
- A seaport listed in s. 311.09, F.S.
- A railroad switching yard, trucking terminal, or other freight transportation facility.
- An airport as defined in s. 330.27, F.S.
- A spaceport territory as defined in <u>s. 331.303, F.S.</u>
- A transmission facility used by a federally licensed radio or television station.
- A military base or military facility conducting research and development of military weapons systems, subsystems, components, or parts.
- A civilian defense industrial base conducting research and development of military weapons systems, subsystems, components, or parts.
- A dam as defined in <u>s. 373.403(1)</u>, <u>F.S.</u>, or other water control structures such as locks, floodgates, or dikes that are designed to maintain or control the level of navigable waterways.

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¹⁶ S. 812.141(5)(b), F.S.

¹⁷ Under <u>s. 812.141(1)(a)</u>, <u>F.S.</u>, "critical infrastructure" means any linear asset; or any of the following for which the owner or operator thereof has employed measures designed to exclude unauthorized persons, including, but not limited to, fences, barriers, guard posts, or signs prohibiting trespass:

[•] An electric power generation, transmission, or distribution facility, or a substation, a switching station, or an electrical control center.

¹⁸ S. <u>812.141(4), F.S.</u>

¹⁹ S. <u>812.141(5)(a), F.S.</u>

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COMMITTEE REFERENCE					
<u>Judiciary Committee</u>	18 Y, 0 N, As CS	4/17/2025	Kramer	Butcher	
THE CHANGES ADOPTED BY THE COMMITTEE:	entered into a speci infrastructure. Required entities w principals to registe Commerce by a spe Required entities, p of critical infrastructurate that the buyer or trace. Removed specified original bill related modems, and sr infrastructure. Delegating authoriginal regulate and invinfrastructure. Using specified foreign country original bill related foreign country original bill related foreign country original bill related foreign country original specified foreign country original specified foreign country or birecting the Florublish a specified	ACTION DATE POLICY CHIEF PREPARED BY 18 Y, 0 N, As CS 4/17/2025 Kramer Butcher Created a second degree misdemeanor if a person or entity unlawfully entered into a specified contract or agreement related to critical infrastructure. Required entities with existing critical infrastructure contracts with foreign principals to register specified information with the Department of Commerce by a specified date, subject to a specified civil penalty. Required entities, prior to commencing any sale or other transfer of control of critical infrastructure within this state, to provide an affidavit attesting that the buyer or transferee is not a foreign principal. Removed specified regulations, prohibitions, and other penalties under the original bill related to: Registering and acting as a specified foreign agent. Accessing specified critical infrastructure. Using specified video surveillance and laser sensor vendors; routers, modems, and smart meters; and other software related to critical infrastructure. Delegating authority to the Department of Management Services to regulate and investigate specified conduct related to critical infrastructure. Using specified critical communications infrastructure provided by a foreign country of concern.			

THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.

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