

HOUSE BILL 808: NC Infrastructure Protection Act.

2025-2026 General Assembly

Committee: House Rules, Calendar, and Operations of the Date: June 24, 2025

House

Introduced by: Reps. Loftis, McNeely, Johnson Prepared by: Trina Griffin

Analysis of: First Edition Staff Attorney

OVERVIEW: House Bill 808 would prohibit governmental entities from entering into contracts involving critical infrastructure in the State with certain foreign-owned companies if certain conditions apply. The act also would require criminal history record checks for individuals granted access to critical infrastructure in the State.

BILL ANALYSIS:

PROHIBIT ACCESS TO CRITICAL INFRASTRUCTURE IN THIS STATE BY CERTAIN FOREIGN OWNED COMPANIES

Section 1 would prohibit governmental entities from entering into contracts involving critical infrastructure in the State with a company if: (1) the company would have access to or control of critical infrastructure in North Carolina excluding access the business entity allows for product warranty and support and (2) the governmental entity knows either of the following:

- ➤ The majority of stock or other ownership interest of the company is owned or controlled by (i) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country or (ii) a company or other entity that is owned or controlled by citizens of or by the government of China, Iran, North Korea, Russia, or a designated country.
- ➤ The company is headquartered in China, Iran, North Korea, Russia, or a designated country.

This prohibition would apply regardless of either of the following:

- > Whether the securities of the company or its parent company are publicly traded.
- The company or its parent company is listed on a public stock exchange of one of the countries listed in the bill or a designated country.

Contracts that violate this section would be void. The Council of State would be allowed to designate a country as a threat to critical infrastructure.

This section would be effective when it becomes law and would apply to contracts entered into, modified, or renewed on or after that date.

REQUIRE CRIMINAL HISTORY RECORD CHECKS FOR INDIVIDUALS GRANTED ACCESS TO CRITICAL INFRASTRUCTURE

Section 2 would provide that the Judicial Department must require a criminal history record check for any individual that has access to a communication infrastructure system or cybersecurity system under the Judicial Department's authority. This section would become effective October 1, 2025.

Kara McCraw Director



Legislative Analysis Division 919-733-2578

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Section 3 would require the Utilities Commission to adopt rules to require a criminal history check for anyone who has access to the electric power grid of a communication infrastructure system under the Commission's authority. This section would be effective when it becomes law, and rules adopted under this section would have to take effect by October 1, 2026.

Section 4.(a) would require applicants for initial certification as a water treatment facility operator to consent to a criminal history record check. Refusing to do so could lead to denial of the application. The Board of Certification would be required to provide the SBI with the applicant's fingerprints, a consent form, and any additional information the SBI requires. The applicant would pay the costs of the criminal history check and fingerprinting. The Secretary of State would be required to collect fees mandated by the SBI and remit those fees to the SBI for the cost of conducing the criminal history check.

Section 4.(b) would allow the SBI to provide to the Water Treatment Facility Operators Board of Certification the criminal history of a prospective water treatment facility operator. The Board of Certification would have to provide the SBI with fingerprints of the prospective water treatment facility operator, a consent form, and any additional information required by the SBI. The fingerprints would be used for a search of the State's criminal history record file, and the SBI must forward a set of fingerprints to the FBI for national criminal history record check. The Board would be required to keep obtained information confidential. The SBI would be permitted to charge a fee to conduct the criminal history check.

Section 4.(c) would require the Board of Certification to charge an initial applicant fee for a criminal history check.

Section 4.(d) This section would become effective October 1, 2025, and would apply to applications for initial certifications received on or after that date.

Section 5 would require the Board of Governors of The University of North Carolina to adopt a policy to require a criminal history record check for any individual with access to a communication infrastructure system or cybersecurity system of The University of North Carolina. This section would be effective when it becomes law. The policy adopted under this section would have to take effect by October 1, 2026.

Section 6 would provide that an applicant for a hazardous waste facility must require a criminal history record check for any individual with access to hazardous waste systems under its control. This section would become effective October 1, 2025.

Section 7 would provide that the State CIO must require background investigations, including a criminal history record check, for any contractor granted access to a communication infrastructure system or cybersecurity system under the authority of the State CIO. This section would be effective when it becomes law and would apply to contracts entered into, modified, or renewed on or after that date.

Section 8 would recodify a statute.

EFFECTIVE DATE: Except as otherwise provided, the act would be effective when it becomes law.

Brad Krehely, LAD Staff Attorney, substantially contributed to this summary.