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# A BILL FOR AN ACT

RELATING TO FOREIGN CRITICAL ASSETS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that, among the concerns  
2 raised by growing foreign influence in the United States and  
3 Hawaii, protecting critical infrastructure (i.e., as freshwater  
4 systems, electrical grids, and telecommunications networks) is  
5 the most urgent security priority. These systems are essential  
6 to Hawaii's local economy, public safety, and overall stability,  
7 making them prime targets for foreign interference.

8           The legislature further finds that numerous federal  
9 agencies responsible for national security have demonstrated  
10 that foreign governments, including adversarial countries, are  
11 actively seeking ways to access and control United States  
12 critical infrastructure, either through direct investment,  
13 partnerships, or covert actions. Such access could allow  
14 malicious actors to disrupt essential services, steal sensitive  
15 data, or compromise national security. Even allied countries,  
16 whose interests and leadership can change rapidly, may  
17 inadvertently or intentionally exploit their involvement in



1 United States infrastructure to advance their own agendas, often  
2 at odds with the interests of the United States and Hawaii.

3 The legislature also finds that the growing interconnected  
4 nature of infrastructure systems heightens their vulnerability,  
5 as disruptions in one sector can cascade across others. A  
6 cautious and strategic approach to foreign investment and  
7 influence is therefore critical to safeguarding these assets.  
8 By limiting foreign influence and strengthening oversight of  
9 those utilities that control Hawaii's critical infrastructure  
10 systems, the United States can ensure the resilience and  
11 security of its infrastructure against evolving threats,  
12 preserving public trust, guarding national security, and  
13 protecting Hawaii's sovereignty.

14 The purpose of this Act is to limit foreign ownership of  
15 the utilities and companies controlling Hawaii's critical  
16 infrastructure.

17 SECTION 2. Chapter 269, Hawaii Revised Statutes, is  
18 amended by adding a new part to be appropriately designated and  
19 to read as follows:

20 **"PART . FOREIGN OWNERSHIP OF CRITICAL INFRASTRUCTURE**

21 **§269- Definitions.** As used in this part:



1 "Critical infrastructure" means systems for freshwater  
2 treatment and delivery, the electrical grid, telecommunications  
3 networks, and associated infrastructure necessary to the  
4 functioning and security of those systems.

5 "Owned or controlled" or "ownership or control" means  
6 ownership of a portion of a company, stock, or other ownership  
7 interest in a company, that is equivalent to or greater than:

- 8 (1) Four per cent of the company;
- 9 (2) The lowest threshold of ownership of the company that  
10 allows for a seat on the company's board of directors;  
11 or
- 12 (3) The lowest percentage of ownership of the company of a  
13 sitting member of the board of directors, or number of  
14 shares that member represents.

15 **§269- Protection of critical infrastructure; foreign**  
16 **ownership or control; limitation.** Notwithstanding section  
17 269-17.5, no public or private electric utility, water utility,  
18 or telecommunications carrier serving the State or its residents  
19 shall be permitted to be owned or controlled by:

- 20 (1) Citizens of a country other than the United States of  
21 America; or



1 (2) A company or another entity, including a government  
2 entity, that is:

3 (A) Not owned or controlled by citizens of the United  
4 States of America;

5 (B) Not directly controlled by the government of the  
6 United States of America; or

7 (C) Not headquartered in the United States of  
8 America.

9 **§269- Report.** Each public or private electric utility,  
10 water utility, or telecommunications carrier serving the State  
11 or its residents shall annually report on any foreign ownership  
12 or control that is equivalent to or greater than:

13 (1) Four per cent of the company;

14 (2) The lowest threshold of ownership of the company that  
15 allows for a seat on the company's board of directors;  
16 and

17 (3) The lowest percentage of ownership of the company of a  
18 sitting member of the board of directors, or the  
19 number of shares that member represents."  
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# S.B. NO. 1665

**Report Title:**

Critical Infrastructure; Foreign Investment; Limitation; Report

**Description:**

Limits foreign ownership of certain public and private utilities and companies controlling the State's critical infrastructure.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

