

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40347-ML-66A

Short Title: Protect Public Infrastructure. (Public)

Sponsors: Representative Reives.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO MAKE IT A CLASS F FELONY TO WILLFULLY OR MALICIOUSLY DESTROY, INJURE, OR OTHERWISE DAMAGE A PUBLIC INFRASTRUCTURE OR PUBLIC TRANSPORTATION SYSTEM; TO ESTABLISH THE CYBER SECURITY FUND WITHIN THE STATE TREASURY TO BE ADMINISTERED BY THE DEPARTMENT OF INFORMATION TECHNOLOGY WITH INPUT FROM CRITICAL GOVERNMENT STAKEHOLDERS FOR THE PURPOSE OF UPGRADING THEIR INFORMATION TECHNOLOGY INFRASTRUCTURE TO STRENGTHEN THE STATE AND LOCALITIES AGAINST CYBERATTACKS AND APPROPRIATING FUNDS FOR THAT PURPOSE; AND TO ESTABLISH THE UTILITY SECURITIZATION TRUST FUND WITHIN THE STATE TREASURY TO STRENGTHEN PUBLIC UTILITY COMPANIES, THE STATE, AND LOCALITIES AGAINST ATTACKS ON UTILITY INFRASTRUCTURE AND APPROPRIATING FUNDS FOR THAT PURPOSE.

The General Assembly of North Carolina enacts:

PART I. ESTABLISH ATTACK ON PUBLIC INFRASTRUCTURE OFFENSE

SECTION 1.(a) Article 22 of Chapter 14 of the General Statutes is amended by adding a new section to read:

"§ 14-150.2. Attack on public infrastructure.

(a) Definitions. – The following definitions apply in this Article:

(1) Public infrastructure. – Publicly or privately owned facilities, systems, functions, or assets, whether physical or virtual, providing or distributing services for the benefit of the public, including energy, fuel, water, agriculture, health care, finance, or communication.

(2) Public transportation system. – All facilities, conveyances, and instrumentalities, whether publicly or privately owned, that are used in or for publicly available services for the transportation of individuals or cargo.

(b) Offense. – It is unlawful to willfully or maliciously destroy, injure, or otherwise damage, or attempt to destroy, injure, or otherwise damage, a public infrastructure or public transportation system.

(c) Punishment. – Unless the conduct is covered under some other provision of law providing greater punishment, a person who violates subsection (b) of this section is guilty of a Class F felony.

(d) Civil Liability. – Any person whose property or person is injured by reason of a violation of this section may sue for and recover treble damages, costs, and attorneys' fees from the person who committed the violation of this section and any person who acts as an accessory



1 before or after the fact, aids or abets, solicits, conspires, or lends material support to the violation
2 of this section. The rights and remedies provided by this subsection are in addition to any other
3 rights and remedies provided by law. For purposes of this subsection, the term "damages"
4 includes actual and consequential damages."

5 **SECTION 1.(b)** This section becomes effective December 1, 2023, and applies to
6 offenses committed on or after that date.

8 **PART II. ESTABLISH CYBER SECURITY FUND**

9 **SECTION 2.(a)** Article 9 of Chapter 143C of the General Statutes is amended by
10 adding a new section to read:

11 **"§ 143C-9-10. Cyber Security Fund.**

12 (a) Fund Established. – The Cyber Security Fund is established as a nonreverting,
13 interest-bearing special fund in the Office of the Treasurer. The Department of Information
14 Technology shall administer expenditures and manage the program of grants awarded by the
15 North Carolina Cybersecurity Commission created in subsection (d) of this section, with
16 substantial input from the following entities:

17 (1) Department of Public Safety.

18 (2) State Bureau of Investigation.

19 (3) Counties, cities, and other local political subdivisions of the State.

20 The Cyber Security Fund shall consist of appropriations from the General Fund, federal funds
21 granted to the State to protect the State's cybersecurity infrastructure, and funds from local
22 political subdivisions appropriated directly to the Fund for cybersecurity programs. Other public
23 agencies and private sources may donate funds for cybersecurity programs supported by the
24 Cyber Security Fund. Only unconditional and unrestricted donations shall be accepted.
25 Contributed funds shall be allocated only as specifically provided in the Current Operations
26 Appropriations Act.

27 (b) Role of State Treasurer. – The State Treasurer shall be the custodian of the Cyber
28 Security Fund and shall invest its assets in accordance with G.S. 147-69.2 and G.S. 147-69.3.
29 Investment earnings credited to the assets of the Cyber Security Fund shall become part of the
30 Fund. The State Treasurer shall hold the Fund separate and apart from all other moneys, funds,
31 and accounts. Any balance remaining at the end of any fiscal year shall be carried forward in the
32 Cyber Security Fund for the next succeeding fiscal year.

33 (c) Uses of the Fund. – Funds from the Cyber Security Fund shall be allocated to State
34 and local governmental agencies to be used only as follows:

35 (1) To make targeted cybersecurity investments to upgrade information
36 technology infrastructure and improve the resilience of State and local
37 government agencies.

38 (2) To help State and local government agencies address cybersecurity risks and
39 threats to government information systems by developing, implementing, and
40 revising cybersecurity plans and improving coordinated capabilities to
41 respond to cybersecurity incidents.

42 (3) To ensure organizational personnel are appropriately trained to provide robust
43 responses to cyber threats and incidents.

44 (d) There is created the North Carolina Cybersecurity Commission (Commission) to
45 make awards from the Cyber Security Fund. The Commission shall consist of one representative
46 from each of the following entities: (i) the Department of Information Technology, (ii) the
47 Division of Emergency Management in the Department of Public Safety, (iii) the North Carolina
48 National Guard, and (iv) the North Carolina Local Government Information Systems
49 Association. The Commission shall have the following powers and duties:

50 (1) To develop standards and best practices for State cybersecurity.

- 1 (2) To award funding to projects proposed by State and local government entities
2 on a competitive basis.
- 3 (3) To use its standards and best practices to evaluate whether projects are
4 responsible.
- 5 (4) To develop a cybersecurity strategy to make North Carolina State and local
6 governments secure.
- 7 (5) To review the cybersecurity strategy annually and make adjustments as
8 necessary as the cybersecurity landscape develops.
- 9 (6) To advise State and local officials on cybersecurity and provide consultation
10 during cyberattack events."

11 **SECTION 2.(b)** G.S. 143B-1322(c) is amended by adding a new subdivision to read:
12 "(23) Administer the Cyber Security Fund, as provided by G.S. 143C-9-10."

13 **SECTION 2.(c)** Unless prohibited by federal law, federal funds provided during the
14 2023-2025 fiscal biennium to the State to implement the State and Local Cybersecurity Grant
15 Program (SLCGP) as enacted in the Infrastructure Investment and Jobs Act of 2021, Public Law
16 117-58, shall be credited to the Cyber Security Fund. Allocation of SLCGP funds from the Cyber
17 Security Fund may be made only upon appropriation by an act of the General Assembly, unless
18 otherwise specifically authorized by federal law.

19 **SECTION 2.(d)** Effective July 1, 2023, there is appropriated from the General Fund
20 to the Cyber Security Fund the sum of twenty-five million dollars (\$25,000,000) for the
21 2023-2024 fiscal year and the sum of twenty-five million dollars (\$25,000,000) for the
22 2024-2025 fiscal year to fund State and local government cybersecurity efforts to strengthen
23 government information technology infrastructure against the risk of cyberattacks.

24 25 **PART III. UTILITY SECURITIZATION TRUST FUND**

26 **SECTION 3.(a)** Article 9 of Chapter 143C of the General Statutes is amended by
27 adding a new section to read:

28 **"§ 143C-9-11. Utility Securitization Trust Fund.**

29 (a) Fund Established. – The Utility Securitization Trust Fund is established as a
30 nonreverting, interest-bearing special fund in the Office of the Treasurer. The Department of
31 State Treasurer shall administer expenditures and manage the programs supported from the
32 Utility Securitization Trust Fund with substantial input from the following entities:

- 33 (1) Department of Public Safety.
34 (2) State Bureau of Investigation.
35 (3) Counties, cities, and other local political subdivisions of the State.
36 (4) Public Utilities Commission.

37 The Utility Securitization Trust Fund shall consist of appropriations from the General Fund,
38 federal funds granted to the State to protect the State's public utility infrastructure, and funds
39 from local political subdivisions appropriated directly to the Fund for public utility securitization
40 programs. Other public agencies and private sources may donate funds for public utility
41 securitization programs supported by the Utility Securitization Trust Fund. Only unconditional
42 and unrestricted donations shall be accepted. Contributed funds shall be allocated only as
43 specifically provided in the Current Operations Appropriations Act.

44 (b) Role of State Treasurer. – The State Treasurer shall be the custodian of the Utility
45 Securitization Trust Fund and shall invest its assets in accordance with G.S. 147-69.2 and
46 G.S. 147-69.3. Investment earnings credited to the assets of the Utility Securitization Trust Fund
47 shall become part of the Fund. The State Treasurer shall hold the Fund separate and apart from
48 all other moneys, funds, and accounts. Any balance remaining at the end of any fiscal year shall
49 be carried forward in the Utility Securitization Trust Fund for the next succeeding fiscal year.

1 (c) Uses of the Fund. – Funds from the Utility Securitization Trust Fund shall be allocated
2 to public utilities, as defined in G.S. 62-3, and State and local governmental agencies to be used
3 only as follows:

4 (1) To make targeted public utility infrastructure investments to upgrade and
5 harden the security of public utility infrastructure and improve the resilience
6 of public utilities and State and local government agencies.

7 (2) To help public utilities and State and local government agencies address
8 public utility infrastructure risks and threats to public utility infrastructure by
9 developing, implementing, and revising security plans and improving
10 coordinated capabilities to respond to security incidents.

11 (3) To ensure organizational personnel are appropriately trained to provide robust
12 responses to security threats and incidents."

13 **SECTION 3.(b)** Effective July 1, 2023, there is appropriated from the General Fund
14 to the Utility Securitization Trust Fund the sum of twenty-five million dollars (\$25,000,000) for
15 the 2023-2024 fiscal year and the sum of twenty-five million dollars (\$25,000,000) for the
16 2024-2025 fiscal year to fund public utilities and State and local government efforts to strengthen
17 public utility infrastructure against the risk of security threats and incidents.

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19 **PART IV. EFFECTIVE DATE**

20 **SECTION 4.** Except as otherwise provided, this act is effective when it becomes
21 law.