

2020 Regular Session

SENATE BILL NO. 273

BY SENATOR HEWITT

INFORMATION TECHNOLOGY. Provides for registration with secretary of state by managed service providers servicing public bodies. (See Act)

1 AN ACT

2 To enact Chapter 31-A of Title 51 of the Louisiana Revised Statutes of 1950, to be

3 comprised of R.S. 51:2111 through 2116, and to amend and reenact R.S. 44:4.1,

4 relative to registration with the secretary of state by managed service providers

5 servicing public bodies; to provide requirements for doing business; to provide for

6 definitions; to provide for exceptions to public records law; and to provide for related

7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Chapter 31-A of Title 51 of the Louisiana Revised Statutes of 1950,

10 comprised of R.S. 51:2111 through 2116, is hereby enacted to read as follows:

11 **CHAPTER 31-A. MANAGED SERVICE PROVIDERS**

12 **FOR PUBLIC BODIES**

13 **§2111. Scope and purpose**

14 **A. The purposes of this Chapter are:**

15 **(1) To create a registration for managed service providers doing business**

16 **in this state with a public body.**

17 **(2) To provide access for public bodies to obtain information on managed**

1 service providers.

2 (3) To require managed service providers to report cyber incidents and
3 the payment of cyber ransom or ransomware.

4 § 2112. Definitions

5 As used in this Chapter, the following words and phrases shall be defined
6 as follows:

7 (1) "Cyber incident" means an event that may jeopardize the
8 confidentiality, integrity, or availability of digital information or information
9 systems.

10 (2) "Cyber ransom or ransomware" means a type of malware that
11 encrypts or locks valuable digital files and demands a ransom to release the
12 files.

13 (3) "Louisiana Cybersecurity Commission" means the commission
14 created by Executive Order 17-31 and Executive Order 19-19.

15 (4) "Managed service provider" means an individual, partnership,
16 corporation, incorporated or unincorporated association, joint stock company,
17 reciprocal, syndicated, or any similar entity or combination of entities that
18 manages a public body's information technology infrastructure, security, or
19 end-user systems.

20 (5) "Provider" means a managed service provider.

21 (6) "Public body" means any branch, department, office, agency, board,
22 commission, district, governing authority, political subdivision, or any other
23 instrumentality of the state, parish, or municipal government, including a
24 public or quasi-public nonprofit corporation designated as an entity to perform
25 a governmental or proprietary function.

26 §2113. Requirements for doing business

27 A. A provider shall not do business with a public body in this state unless
28 the provider has registered with the secretary of state and remains in good
29 standing.

1 **B. Beginning February 1, 2021, each provider that manages a public**
2 **body's information technology structure, security, or end-user systems in this**
3 **state shall file an application for initial registration with the secretary of state**
4 **consisting of the provider's name, address, telephone number, contact person,**
5 **designation of a person in this state for service of process, and providing a**
6 **listing of all officers, all directors, and all owners of ten percent or more of the**
7 **provider. Additionally, the provider shall file a copy of its basic organizational**
8 **documents, including but not limited to articles of incorporation, articles of**
9 **organization, articles of association, or partnership agreement.**

10 **C. A registration shall be effective for two years, unless the registration**
11 **is denied or revoked. Ninety days prior to the expiration of a registration, a**
12 **provider shall submit a renewal application on a form prescribed by the**
13 **secretary of state.**

14 **D. Each registrant shall notify the secretary of state of any material**
15 **change in the registration information no later than sixty days after the effective**
16 **date of such change. The notice shall be accompanied by supporting**
17 **documentation.**

18 **§2114. Reporting cyber incidents and payment of cyber ransoms**

19 **A. A provider shall report to the Louisiana Cybersecurity Commission**
20 **any cyber incident impacting a public body within twenty-four hours of**
21 **discovery.**

22 **B. A provider shall report to the Louisiana Cybersecurity Commission**
23 **any payment of cyber ransom or ransomware involving a public body within**
24 **ten calendar days of the payment of the ransom.**

25 **C. Any report of a cyber incident or the payment of cyber ransom or**
26 **ransomware involving a public body shall not be a public record.**

27 **§2115. Prohibition on contracting with a provider**

28 **A public body shall not enter into a contract with a provider that has not**
29 **registered with the secretary of state or has failed to renew its registration with**

service providers doing business in this state with a public body, provide access for public bodies to obtain information on managed service providers, and require managed service providers to report cyber incidents and the payment of cyber ransom or ransomware.

Proposed law defines "cyber incident", "cyber ransom or ransomware", "Louisiana Cybersecurity Commission", "managed service provider", "provider", and "public body".

Proposed law prohibits a provider from doing business with a public body in this state unless the provider has registered with the secretary of state and remains in good standing.

Proposed law provides for an application process for providers that manage a public body's information technology infrastructure, security, or end-user systems.

Proposed law requires providers to report any cyber incident impacting a public body within 24 hours of discovery to the Louisiana Cybersecurity Commission.

Proposed law requires providers to report any payment of cyber ransom or ransomware involving a public body within 10 calendar days of the payment of the ransom to the Louisiana Cybersecurity Commission.

Proposed law provides that reports of cyber incidents or the payment of cyber ransom or ransomware involving a public body shall not be public record.

Proposed law prohibits a public body in this state from entering into a contract with a provider that has not registered with the secretary of state or has failed to renew its registration with the secretary of state and provides that such a contract is null and void.

Present law provides exceptions to the public records law.

Proposed law adds reports of cyber incidents or the payment of cyber ransom or ransomware involving a public body as an exception; otherwise retains present law.

Proposed law authorizes the secretary of state to adopt rules and regulations to implement proposed law.

Authority of the secretary of state to adopt rules effective August 1, 2020. The remaining provisions of proposed law effective February 1, 2021.

(Adds R.S. 51:2111-2116; amends R.S. 44:4.1)