

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 R.S. 44:4.1(D) and Chapter 31-A of Title 51 of the Louisiana Revised Statutes of
3 1950, to be comprised of R.S. 51:2111 through 2116, relative to registration with the
4 secretary of state by managed service providers and managed security service
5 providers servicing public bodies; to provide requirements for doing business; to
6 provide for definitions; to provide for exceptions to public records law; to provide
7 for time limitations on the reporting of cyber incidents; and to provide for related
8 matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 44:4.1(D) is hereby enacted to read as follows:

11 §4.1. Exceptions

12 * * *

13 **D. The provisions of this Chapter shall not apply to any writings,**
14 **records, or reports of cyber incidents or payment of cyber ransoms submitted**
15 **to the Louisiana Cybersecurity Commission pursuant to R.S. 51:2114 for sixty**
16 **days from the date of submission of the reports to the commission.**

17 * * *

1 Section 2. Chapter 31-A of Title 51 of the Louisiana Revised Statutes of 1950,
2 comprised of R.S. 51:2111 through 2116, is hereby enacted to read as follows:

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

4 **AND MANAGED SECURITY SERVICE PROVIDERS**

5 **FOR PUBLIC BODIES**

6 **§2111. Scope and purpose**

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

8 **(1) To create a registration for managed service providers and managed**
9 **security service providers doing business in this state with a public body.**

10 **(2) To provide access for public bodies to obtain information on managed**
11 **service providers and managed security service providers.**

12 **(3) To require managed service providers and managed security service**
13 **providers to report cyber incidents and the payment of cyber ransom or**
14 **ransomware.**

15 **§ 2112. Definitions**

16 **As used in this Chapter, the following words and phrases shall be defined**
17 **as follows:**

18 **(1) "Cyber incident" means an event that may jeopardize the**
19 **confidentiality, integrity, or availability of digital information or information**
20 **systems.**

21 **(2) "Cyber ransom or ransomware" means a type of malware that**
22 **encrypts or locks valuable digital files and demands a ransom to release the**
23 **files.**

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

26 **(4) "Managed service provider" means an individual, partnership,**
27 **corporation, incorporated or unincorporated association, joint stock company,**
28 **reciprocal, syndicated, or any similar entity or combination of entities that**
29 **manages a public body's information technology infrastructure or end-user**

1 systems.

2 (5) "Managed security service provider" means an individual,
3 partnership, corporation, incorporated or unincorporated association, joint
4 stock company, reciprocal, syndicated, or any similar entity or combination of
5 entities that provides cybersecurity monitoring and management for a public
6 body.

7 (6) "Provider" means a managed service provider or managed security
8 service provider.

9 (7) "Public body" means any branch, department, office, agency, board,
10 commission, district, governing authority, political subdivision, or any other
11 instrumentality of the state, parish, or municipal government, including a
12 public or quasi-public nonprofit corporation designated as an entity to perform
13 a governmental or proprietary function.

14 §2113. Requirements for doing business

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

18 B. Beginning February 1, 2021, each provider that manages a public
19 body's information technology structure, security, or end-user systems in this
20 state shall file an application for initial registration with the secretary of state
21 consisting of the provider's name, address, telephone number, contact person,
22 designation of a person in this state for service of process, and provide a listing
23 of all officers, all directors, and all owners of ten percent or more of the
24 provider. Additionally, the provider shall file a copy of its basic organizational
25 documents, including but not limited to articles of incorporation, articles of
26 organization, articles of association, or partnership agreement.

27 C. A registration shall be effective for two years, unless the registration
28 is denied or revoked. Ninety days prior to the expiration of a registration, a
29 provider shall submit a renewal application on a form prescribed by the

1 secretary of state.

2 D. Each registrant shall notify the secretary of state of any material
 3 change in the registration information no later than sixty days after the effective
 4 date of such change. The notice shall be accompanied by supporting
 5 documentation.

6 §2114. Reporting cyber incidents and payment of cyber ransoms

7 A. If a provider has a cyber incident which impacts a public body, the
 8 provider shall report the cyber incident to the Louisiana Cybersecurity
 9 Commission within twenty-four hours of discovery of the incident.

10 B. If a provider has a cyber incident which impacts a public body and the
 11 provider or public body makes a payment of cyber ransom or ransomware, the
 12 provider shall report the payment of the cyber ransom or ransomware to the
 13 Louisiana Cybersecurity Commission within ten calendar days of the payment.

14 §2115. Prohibition on contracting with a provider

15 A public body shall not enter into a contract with a provider that has not
 16 registered with the secretary of state or has failed to renew its registration with
 17 the secretary of state. Such a contract shall be null and void.

18 §2116. Rules

19 The secretary of state shall adopt rules and regulations to implement the
 20 provisions of this Chapter.

21 Section 3. R.S. 51:2116 as enacted by this Act shall become effective on August 1,
 22 2020. The remaining provisions of this Act shall become effective on February 1, 2021.

The original instrument was prepared by Morgan Robertson. The following digest, which does not constitute a part of the legislative instrument, was prepared by Brandi Cannon.

SB 273 Reengrossed

DIGEST
2020 Regular Session

Hewitt

Proposed law creates a registration for managed 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", "managed security service 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 by the provider or 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 managed service provider or managed security service 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 retains present law and adds an exception for any writings, records, or reports of cyber incidents or payment of cyber ransoms submitted to the commission for 60 days from the date of submission.

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. 44:4.1(D) and R.S. 51:2111-2116)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Senate and Governmental Affairs to the original bill

1. Adds and defines the term "managed security service provider".

Senate Floor Amendments to engrossed bill

1. Provides an exception to the disclosure requirement of the Public Records Law for any writings, records, or reports of cyber incidents or payment of cyber ransoms submitted to the commission for 60 days from the date of submission.
2. Specifies that the reporting of a cyber incident which impacts a public body and in which the payment of cyber ransom or ransomware is made is required if the provider or the public body made the payment.

3. Removes an exception to the disclosure requirement of the Public Records Law for any report of a cyber incident or the payment of cyber ransom or ransomware involving a public body.
4. Makes technical changes.