SLS 20RS-405

ORIGINAL

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

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1	service providers.
2	(3) To require managed service providers to report cyber incidents and
3	the payment of cyber ransom or ransomware.
4	<u>§ 2112. Definitions</u>
5	As used in this Chapter, the following words and phrases shall be defined
6	<u>as follows:</u>
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	<u>files.</u>
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

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	the secretary of state. Such a contract shall be null and void.
	<u>§2116. Rules</u>
	<u>The secretary of state shall adopt rules and regulations to implement the</u>
	provisions of this Chapter.
	Section 2. R.S. 44:4.1 is hereby amended and reenacted to read as follows:
	§4.1. Exceptions
	A. The legislature recognizes that it is essential to the operation of a
	democratic government that the people be made aware of all exceptions, exemptions,
	and limitations to the laws pertaining to public records. In order to foster the people's
	awareness, the legislature declares that all exceptions, exemptions, and limitations
	to the laws pertaining to public records shall be provided for in this Chapter or the
	Constitution of Louisiana. Any exception, exemption, and limitation to the laws
	pertaining to public records not provided for in this Chapter or in the Constitution
	of Louisiana shall have no effect.
	B. The legislature further recognizes that there exist exceptions, exemptions,
	and limitations to the laws pertaining to public records throughout the revised
	statutes and codes of this state. Therefore, the following exceptions, exemptions, and
	limitations are hereby continued in effect by incorporation into this Chapter by
	citation:
	* * *
	(35) R.S. 51:710.2(B), 705, 706, 936, 1404, 1926, 1934 <u>, 2114</u> , 2182, 2262,
	2318, 2389
	* * *
	Section 3. R.S. 51:2116 as enacted by this Act shall become effective on August 1,
2020.	The remaining provisions of this Act shall become effective on February 1, 2021.
	The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Morgan B. Robertson.

Proposed law provides that the purpose of this Act is to create a registration for managed

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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.

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

<u>Proposed law</u> 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.

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

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

<u>Proposed law</u> 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.

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

<u>Proposed law</u> 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.

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

<u>Proposed law</u> 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)