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et al.

H.B. No. 8

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to cybersecurity for state agency information resources.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. This Act may be cited as the Texas Cybersecurity  
5 Act.

6 SECTION 2. Section [325.011](#), Government Code, is amended to  
7 read as follows:

8 Sec. 325.011. CRITERIA FOR REVIEW. The commission and its  
9 staff shall consider the following criteria in determining whether  
10 a public need exists for the continuation of a state agency or its  
11 advisory committees or for the performance of the functions of the  
12 agency or its advisory committees:

13 (1) the efficiency and effectiveness with which the  
14 agency or the advisory committee operates;

15 (2)(A) an identification of the mission, goals, and  
16 objectives intended for the agency or advisory committee and of the  
17 problem or need that the agency or advisory committee was intended  
18 to address; and

19 (B) the extent to which the mission, goals, and  
20 objectives have been achieved and the problem or need has been  
21 addressed;

22 (3)(A) an identification of any activities of the  
23 agency in addition to those granted by statute and of the authority  
24 for those activities; and

1 (B) the extent to which those activities are  
2 needed;

3 (4) an assessment of authority of the agency relating  
4 to fees, inspections, enforcement, and penalties;

5 (5) whether less restrictive or alternative methods of  
6 performing any function that the agency performs could adequately  
7 protect or provide service to the public;

8 (6) the extent to which the jurisdiction of the agency  
9 and the programs administered by the agency overlap or duplicate  
10 those of other agencies, the extent to which the agency coordinates  
11 with those agencies, and the extent to which the programs  
12 administered by the agency can be consolidated with the programs of  
13 other state agencies;

14 (7) the promptness and effectiveness with which the  
15 agency addresses complaints concerning entities or other persons  
16 affected by the agency, including an assessment of the agency's  
17 administrative hearings process;

18 (8) an assessment of the agency's rulemaking process  
19 and the extent to which the agency has encouraged participation by  
20 the public in making its rules and decisions and the extent to which  
21 the public participation has resulted in rules that benefit the  
22 public;

23 (9) the extent to which the agency has complied with:

24 (A) federal and state laws and applicable rules  
25 regarding equality of employment opportunity and the rights and  
26 privacy of individuals; and

27 (B) state law and applicable rules of any state

1 agency regarding purchasing guidelines and programs for  
2 historically underutilized businesses;

3 (10) the extent to which the agency issues and  
4 enforces rules relating to potential conflicts of interest of its  
5 employees;

6 (11) the extent to which the agency complies with  
7 Chapters 551 and 552 and follows records management practices that  
8 enable the agency to respond efficiently to requests for public  
9 information;

10 (12) the effect of federal intervention or loss of  
11 federal funds if the agency is abolished; ~~and~~

12 (13) the extent to which the purpose and effectiveness  
13 of reporting requirements imposed on the agency justifies the  
14 continuation of the requirement; and

15 (14) an assessment of the agency's cybersecurity  
16 practices using information available from the Department of  
17 Information Resources or any other appropriate state agency.

18 SECTION 3. Subchapter B, Chapter 421, Government Code, is  
19 amended by adding Section 421.027 to read as follows:

20 Sec. 421.027. CYBER INCIDENT STUDY AND RESPONSE PLAN. (a)  
21 In this section:

22 (1) "Cyber incident" means an event occurring on or  
23 conducted through a computer network that actually or imminently  
24 jeopardizes the integrity, confidentiality, or availability of  
25 computers, information or communications systems or networks,  
26 physical or virtual infrastructure controlled by computers or  
27 information systems, or information on the computers or systems.

1 The term includes a vulnerability in implementation or in an  
2 information system, system security procedure, or internal control  
3 that could be exploited by a threat source.

4 (2) "Significant cyber incident" means a cyber  
5 incident, or a group of related cyber incidents, likely to result in  
6 demonstrable harm to state security interests, foreign relations,  
7 or the economy of this state or to the public confidence, civil  
8 liberties, or public health and safety of the residents of this  
9 state.

10 (b) The council, in cooperation with the Department of  
11 Information Resources, shall:

12 (1) conduct a study regarding cyber incidents and  
13 significant cyber incidents affecting state agencies and critical  
14 infrastructure that is owned, operated, or controlled by agencies;  
15 and

16 (2) develop a comprehensive state response plan to  
17 provide a format for each state agency to develop an  
18 agency-specific response plan and to implement the plan into the  
19 agency's information security plan required under Section [2054.133](#)  
20 to be implemented by the agency in the event of a cyber incident or  
21 significant cyber incident affecting the agency or critical  
22 infrastructure that is owned, operated, or controlled by the  
23 agency.

24 (c) Not later than September 1, 2018, the council shall  
25 deliver the response plan and a report on the findings of the study  
26 to:

27 (1) the public safety director of the Department of

1 Public Safety;

2 (2) the governor;

3 (3) the lieutenant governor;

4 (4) the speaker of the house of representatives;

5 (5) the chair of the committee of the senate having  
6 primary jurisdiction over homeland security matters; and

7 (6) the chair of the committee of the house of  
8 representatives having primary jurisdiction over homeland security  
9 matters.

10 (d) The response plan required by Subsection (b) and the  
11 report required by Subsection (c) are not public information for  
12 purposes of Chapter 552.

13 (e) This section expires December 1, 2018.

14 SECTION 4. Section 551.089, Government Code, is amended to  
15 read as follows:

16 Sec. 551.089. DELIBERATION REGARDING SECURITY DEVICES OR  
17 SECURITY AUDITS; CLOSED MEETING [~~DEPARTMENT OF INFORMATION~~  
18 ~~RESOURCES~~]. This chapter does not require a governmental body [~~the~~  
19 ~~governing board of the Department of Information Resources~~] to  
20 conduct an open meeting to deliberate:

21 (1) security assessments or deployments relating to  
22 information resources technology;

23 (2) network security information as described by  
24 Section 2059.055(b); or

25 (3) the deployment, or specific occasions for  
26 implementation, of security personnel, critical infrastructure, or  
27 security devices.

1 SECTION 5. Section 552.139, Government Code, is amended by  
2 adding Subsection (d) to read as follows:

3 (d) When posting a contract on an Internet website as  
4 required by Section 2261.253, a state agency shall redact  
5 information made confidential by this section or excepted from  
6 public disclosure by this section. Redaction under this subsection  
7 does not except information from the requirements of Section  
8 552.021.

9 SECTION 6. The heading to Section 656.047, Government Code,  
10 is amended to read as follows:

11 Sec. 656.047. PAYMENT OF PROGRAM AND CERTIFICATION  
12 EXAMINATION EXPENSES.

13 SECTION 7. Section 656.047, Government Code, is amended by  
14 adding Subsection (a-1) to read as follows:

15 (a-1) A state agency may spend public funds as appropriate  
16 to reimburse a state agency employee or administrator who serves in  
17 an information technology, cybersecurity, or other cyber-related  
18 position for fees associated with industry-recognized  
19 certification examinations.

20 SECTION 8. Subchapter C, Chapter 2054, Government Code, is  
21 amended by adding Section 2054.0594 to read as follows:

22 Sec. 2054.0594. INFORMATION SHARING AND ANALYSIS CENTER.

23 (a) The department shall establish an information sharing and  
24 analysis center to provide a forum for state agencies to share  
25 information regarding cybersecurity threats, best practices, and  
26 remediation strategies.

27 (b) The department shall appoint persons from appropriate

1 state agencies to serve as representatives to the information  
2 sharing and analysis center.

3 (c) The department, using existing resources, shall provide  
4 administrative support to the information sharing and analysis  
5 center.

6 SECTION 9. Section 2054.076, Government Code, is amended by  
7 adding Subsection (b-1) to read as follows:

8 (b-1) The department shall provide mandatory guidelines to  
9 state agencies regarding the continuing education requirements for  
10 cybersecurity training and the industry-recognized certifications  
11 that must be completed by all information resources employees of  
12 the agencies. The department shall consult with the Information  
13 Technology Council for Higher Education on applying the guidelines  
14 to institutions of higher education.

15 SECTION 10. Sections 2054.077(b) and (e), Government Code,  
16 are amended to read as follows:

17 (b) The information resources manager of a state agency  
18 shall [~~may~~] prepare or have prepared a report, including an  
19 executive summary of the findings of the report, assessing the  
20 extent to which a computer, a computer program, a computer network,  
21 a computer system, a printer, an interface to a computer system,  
22 including mobile and peripheral devices, computer software, or data  
23 processing of the agency or of a contractor of the agency is  
24 vulnerable to unauthorized access or harm, including the extent to  
25 which the agency's or contractor's electronically stored  
26 information is vulnerable to alteration, damage, erasure, or  
27 inappropriate use.

1 (e) Separate from the executive summary described by  
2 Subsection (b), a state agency [~~whose information resources manager~~  
3 ~~has prepared or has had prepared a vulnerability report~~] shall  
4 prepare a summary of the agency's vulnerability report that does  
5 not contain any information the release of which might compromise  
6 the security of the state agency's or state agency contractor's  
7 computers, computer programs, computer networks, computer systems,  
8 printers, interfaces to computer systems, including mobile and  
9 peripheral devices, computer software, data processing, or  
10 electronically stored information. The summary is available to  
11 the public on request.

12 SECTION 11. Section [2054.1125](#)(b), Government Code, is  
13 amended to read as follows:

14 (b) A state agency that owns, licenses, or maintains  
15 computerized data that includes sensitive personal information,  
16 confidential information, or information the disclosure of which is  
17 regulated by law shall, in the event of a breach or suspected breach  
18 of system security or an unauthorized exposure of that information:

19 (1) comply[~~, in the event of a breach of system~~  
20 security,] with the notification requirements of Section [521.053](#),

21 Business & Commerce Code, to the same extent as a person who  
22 conducts business in this state; and

23 (2) not later than 48 hours after the discovery of the  
24 breach, suspected breach, or unauthorized exposure, notify:

25 (A) the department, including the chief  
26 information security officer and the state cybersecurity  
27 coordinator; or



1           (B) if the breach, suspected breach, or  
2 unauthorized exposure involves election data, the secretary of  
3 state.

4           SECTION 12. Section 2054.133, Government Code, is amended  
5 by adding Subsections (b-1), (b-2), (b-3), and (b-4) to read as  
6 follows:

7           (b-1) The executive head and chief information security  
8 officer of each state agency shall annually review and approve in  
9 writing the agency's information security plan and strategies for  
10 addressing the agency's information resources systems that are at  
11 highest risk for security breaches. The plan at a minimum must  
12 include solutions that isolate and segment sensitive information  
13 and maintain architecturally sound and secured separation among  
14 networks. If a state agency does not have a chief information  
15 security officer, the highest ranking information security  
16 employee for the agency shall review and approve the plan and  
17 strategies. The executive head retains full responsibility for the  
18 agency's information security and any risks to that security.

19           (b-2) Before submitting to the Legislative Budget Board a  
20 legislative appropriation request for a state fiscal biennium, a  
21 state agency must file with the board the written approval required  
22 under Subsection (b-1) for each year of the current state fiscal  
23 biennium.

24           (b-3) Each state agency shall include in the agency's  
25 information security plan the actions the agency is taking to  
26 incorporate into the plan the core functions of "identify, protect,  
27 detect, respond, and recover" as recommended in the "Framework for

1 Improving Critical Infrastructure Cybersecurity" of the United  
2 States Department of Commerce National Institute of Standards and  
3 Technology. The agency shall, at a minimum, identify any  
4 information the agency requires individuals to provide to the  
5 agency or the agency retains that is not necessary for the agency's  
6 operations. The agency may incorporate the core functions over a  
7 period of years.

8 (b-4) A state agency's information security plan must  
9 include appropriate privacy and security standards that, at a  
10 minimum, require a vendor who offers cloud computing services or  
11 other software, applications, online services, or information  
12 technology solutions to any state agency to contractually warrant  
13 that data provided by the state to the vendor will be maintained in  
14 compliance with all applicable state and federal laws and rules.

15 SECTION 13. Section 2054.512, Government Code, is amended  
16 to read as follows:

17 Sec. 2054.512. CYBERSECURITY [~~PRIVATE INDUSTRY GOVERNMENT~~]  
18 COUNCIL. (a) The state cybersecurity coordinator shall [~~may~~]  
19 establish and lead a cybersecurity council that includes public and  
20 private sector leaders and cybersecurity practitioners to  
21 collaborate on matters of cybersecurity concerning this state.

22 (b) The cybersecurity council must include:

23 (1) one member appointed by the governor;

24 (2) one member of the senate appointed by the  
25 lieutenant governor;

26 (3) one member of the house of representatives  
27 appointed by the speaker of the house of representatives; and

1           (4) additional members appointed by the state  
2 cybersecurity coordinator, including representatives of  
3 institutions of higher education and private sector leaders.

4           (c) In appointing representatives from institutions of  
5 higher education to the cybersecurity council, the state  
6 cybersecurity coordinator shall consider appointing members of the  
7 Information Technology Council for Higher Education.

8           (d) The cybersecurity council shall provide recommendations  
9 to the legislature on any legislation necessary to implement  
10 cybersecurity best practices and remediation strategies for this  
11 state.

12           SECTION 14. Subchapter N-1, Chapter 2054, Government Code,  
13 is amended by adding Sections 2054.515, 2054.516, 2054.517,  
14 2054.518, and 2054.519 to read as follows:

15           Sec. 2054.515. INDEPENDENT RISK ASSESSMENT. (a) At least  
16 once every five years, in accordance with department rules, each  
17 state agency shall:

18           (1) contract with an independent third party selected  
19 from a list provided by the department to conduct an independent  
20 risk assessment of the agency's exposure to security risks in the  
21 agency's information resources systems and to conduct tests to  
22 practice securing systems and notifying all affected parties in the  
23 event of a data breach; and

24           (2) submit the results of the independent risk  
25 assessment to the department.

26           (b) The department annually shall compile the results of the  
27 independent risk assessments conducted in the preceding year and

1 prepare:

2 (1) a public report on the general security issues  
3 covered by the assessments that does not contain any information  
4 the release of which may compromise any state agency's information  
5 resources system; and

6 (2) a confidential report on specific risks and  
7 vulnerabilities that is exempt from disclosure under Chapter 552.

8 (c) The department annually shall submit to the legislature  
9 a comprehensive report on the results of the independent risk  
10 assessments conducted under Subsection (a) during the preceding  
11 year that includes the report prepared under Subsection (b)(1) and  
12 that identifies systematic or pervasive security risk  
13 vulnerabilities across state agencies and recommendations for  
14 addressing the vulnerabilities but does not contain any information  
15 the release of which may compromise any state agency's information  
16 resources system.

17 Sec. 2054.516. DATA SECURITY PLAN FOR ONLINE AND MOBILE  
18 APPLICATIONS. (a) Each state agency, other than an institution of  
19 higher education subject to Section 2054.517, implementing an  
20 Internet website or mobile application that processes any  
21 personally identifiable or confidential information must:

22 (1) submit a data security plan to the department  
23 during development and as early as feasible in the testing of the  
24 website or application and submit any modification to the plan made  
25 during development; and

26 (2) before deploying the website or application:

27 (A) subject the website or application to a

1 vulnerability and penetration test conducted by an independent  
2 third party; and

3 (B) address any high priority vulnerability  
4 identified under Paragraph (A).

5 (b) The data security plan required under Subsection (a)(1)  
6 must include:

7 (1) data flow diagrams to show the location of  
8 information in use, in transit, and not in use;

9 (2) data storage locations;

10 (3) data interaction with online or mobile devices;

11 (4) security of data transfer;

12 (5) security measures for the online or mobile  
13 application;

14 (6) a description of any action taken by the agency to  
15 remediate any vulnerability identified by an independent third  
16 party under Subsection (a)(2); and

17 (7) appropriate privacy and security standards that,  
18 at a minimum, require a vendor who offers cloud computing services  
19 or other software, applications, online services, or information  
20 technology solutions to any state agency to demonstrate that data  
21 provided by the state to the vendor will be maintained in compliance  
22 with all applicable state and federal laws and rules.

23 (c) Unless a state agency has previously submitted a  
24 comprehensive security plan approved by the department and has  
25 sufficient personnel and technology to review plans internally, the  
26 department shall review each data security plan submitted under  
27 Subsection (a) and make any recommendations for changes to the plan

1 to the state agency as soon as practicable after the department  
2 reviews the plan.

3 (d) A data security plan submitted under Subsection (a) and  
4 any recommendation for changes made under Subsection (c) are not  
5 public information for purposes of Chapter 552.

6 Sec. 2054.517. DATA SECURITY PROCEDURES FOR ONLINE AND  
7 MOBILE APPLICATIONS OF INSTITUTIONS OF HIGHER EDUCATION. (a) Each  
8 institution of higher education, as defined by Section 61.003,  
9 Education Code, shall adopt and implement a policy for Internet  
10 website and mobile application security procedures that complies  
11 with this section.

12 (b) Before deploying an Internet website or mobile  
13 application that processes confidential information for an  
14 institution of higher education, the developer of the website or  
15 application for the institution must submit to the institution's  
16 information security officer the information required under  
17 policies adopted by the institution to protect the privacy of  
18 individuals by preserving the confidentiality of information  
19 processed by the website or application. At a minimum, the  
20 institution's policies must require the developer to submit  
21 information describing:

- 22 (1) the architecture of the website or application;  
23 (2) the authentication mechanism for the website or  
24 application; and  
25 (3) the administrator level access to data included in  
26 the website or application.

27 (c) Before deploying an Internet website or mobile

1 application described by Subsection (b), an institution of higher  
2 education must subject the website or application to a  
3 vulnerability and penetration test conducted internally or by an  
4 independent third party.

5 (d) Each institution of higher education shall submit to the  
6 department the policies adopted as required by Subsection (b). The  
7 department shall review the policies and make recommendations for  
8 appropriate changes.

9 Sec. 2054.518. VENDOR RESPONSIBILITY FOR CYBERSECURITY. A  
10 vendor that contracts with this state to provide information  
11 resources technology for a state agency at a cost to the agency of  
12 \$1 million or more is responsible for addressing known  
13 cybersecurity risks associated with the technology and is  
14 responsible for any cost associated with addressing the identified  
15 cybersecurity risks. For a major information resources project,  
16 the vendor shall provide to state agency contracting personnel:

17 (1) written acknowledgment of any known cybersecurity  
18 risks associated with the technology identified in the  
19 vulnerability and penetration test conducted under Section  
20 2054.516 or Section 2054.517;

21 (2) proof that any individual servicing the contract  
22 holds the appropriate industry-recognized certifications as  
23 identified by the National Initiative for Cybersecurity Education;

24 (3) a strategy for mitigating any technology or  
25 personnel-related cybersecurity risk identified in the  
26 vulnerability and penetration test conducted under Section  
27 2054.516 or Section 2054.517; and

1           (4) an initial summary of any costs associated with  
2 addressing or remediating the identified technology or  
3 personnel-related cybersecurity risks as identified in  
4 collaboration with this state following a risk assessment.

5           Sec. 2054.519. CYBERSECURITY RISKS AND INCIDENTS. (a) The  
6 department shall develop a plan to address cybersecurity risks and  
7 incidents in this state. The department may enter into an agreement  
8 with a national organization, including the National Cybersecurity  
9 Preparedness Consortium, to support the department's efforts in  
10 implementing the components of the plan for which the department  
11 lacks resources to address internally. The agreement may include  
12 provisions for:

13           (1) providing fee reimbursement for appropriate  
14 industry-recognized certification examinations for and training to  
15 state and local officials and first responders preparing for and  
16 responding to cybersecurity risks and incidents;

17           (2) developing and maintaining a cybersecurity risks  
18 and incidents curriculum using existing programs and models for  
19 training state and local officials and first responders;

20           (3) delivering to state agency personnel with access  
21 to state agency networks routine training related to appropriately  
22 protecting and maintaining information technology systems and  
23 devices, implementing cybersecurity best practices, and mitigating  
24 cybersecurity risks and vulnerabilities;

25           (4) providing technical assistance services to  
26 support preparedness for and response to cybersecurity risks and  
27 incidents;



1           (5) conducting cybersecurity training and simulation  
2 exercises for state agencies, political subdivisions, and private  
3 entities to encourage coordination in defending against and  
4 responding to cybersecurity risks and incidents;

5           (6) assisting state agencies and political  
6 subdivisions in developing cybersecurity information-sharing  
7 programs to disseminate information related to cybersecurity risks  
8 and incidents; and

9           (7) incorporating cybersecurity risk and incident  
10 prevention and response methods into existing state and local  
11 emergency plans, including continuity of operation plans and  
12 incident response plans.

13           (b) In implementing the provisions of the agreement  
14 prescribed by Subsection (a), the department shall seek to prevent  
15 unnecessary duplication of existing programs or efforts of the  
16 department or another state agency.

17           (c) In selecting an organization under Subsection (a), the  
18 department shall consider the organization's previous experience  
19 in conducting cybersecurity training and exercises for state  
20 agencies and political subdivisions.

21           (d) The department shall consult with institutions of  
22 higher education in this state when appropriate based on an  
23 institution's expertise in addressing specific cybersecurity risks  
24 and incidents.

25           SECTION 15. Section 2054.575(a), Government Code, is  
26 amended to read as follows:

27           (a) A state agency shall, with available funds, identify

1 information security issues and develop a plan to prioritize the  
2 remediation and mitigation of those issues. The agency shall  
3 include in the plan:

4 (1) procedures for reducing the agency's level of  
5 exposure with regard to information that alone or in conjunction  
6 with other information identifies an individual maintained on a  
7 legacy system of the agency;

8 (2) the best value approach for modernizing,  
9 replacing, renewing, or disposing of a legacy system that maintains  
10 information critical to the agency's responsibilities;

11 (3) analysis of the percentage of state agency  
12 personnel in information technology, cybersecurity, or other  
13 cyber-related positions who currently hold the appropriate  
14 industry-recognized certifications as identified by the National  
15 Initiative for Cybersecurity Education;

16 (4) the level of preparedness of state agency cyber  
17 personnel and potential personnel who do not hold the appropriate  
18 industry-recognized certifications to successfully complete the  
19 industry-recognized certification examinations; and

20 (5) a strategy for mitigating any workforce-related  
21 discrepancy in information technology, cybersecurity, or other  
22 cyber-related positions with the appropriate training and  
23 industry-recognized certifications.

24 SECTION 16. Section 2059.055(b), Government Code, is  
25 amended to read as follows:

26 (b) Network security information is confidential under this  
27 section if the information is:

1 (1) related to passwords, personal identification  
2 numbers, access codes, encryption, or other components of the  
3 security system of a governmental entity [~~state agency~~];

4 (2) collected, assembled, or maintained by or for a  
5 governmental entity to prevent, detect, or investigate criminal  
6 activity; or

7 (3) related to an assessment, made by or for a  
8 governmental entity or maintained by a governmental entity, of the  
9 vulnerability of a network to criminal activity.

10 SECTION 17. Subtitle B, Title 10, Government Code, is  
11 amended by adding Chapter 2061 to read as follows:

12 CHAPTER 2061. INDIVIDUAL-IDENTIFYING INFORMATION

13 Sec. 2061.001. DEFINITIONS. In this chapter:

14 (1) "Cybersecurity risk" means a material threat of  
15 attack, damage, or unauthorized access to the networks, computers,  
16 software, or data storage of a state agency.

17 (2) "State agency" means a department, commission,  
18 board, office, council, authority, or other agency in the  
19 executive, legislative, or judicial branch of state government,  
20 including a university system or institution of higher education,  
21 as defined by Section 61.003, Education Code, that is created by the  
22 constitution or a statute of this state.

23 Sec. 2061.002. DESTRUCTION AUTHORIZED. (a) A state agency  
24 shall destroy or arrange for the destruction of information that  
25 presents a cybersecurity risk and alone or in conjunction with  
26 other information identifies an individual in connection with the  
27 agency's networks, computers, software, or data storage if the

1 agency is otherwise prohibited by law from retaining the  
2 information for a period of years.

3 (b) A state agency shall destroy or arrange for the  
4 destruction of information described by Subsection (a) in  
5 accordance with standards for destruction of data prescribed in the  
6 National Security Program Operating Manual, 1995 edition.

7 (c) This section does not apply to a record involving  
8 criminal activity or a criminal investigation retained for law  
9 enforcement purposes.

10 (d) A state agency may not destroy or arrange for the  
11 destruction of any election data before the third anniversary of  
12 the date the election to which the data pertains is held.

13 (e) A state agency may not under any circumstance sell:

14 (1) a person's precise geographic location  
15 information;

16 (2) a person's Internet browsing history;

17 (3) a person's application usage history; or

18 (4) the functional equivalent of the information  
19 described in Subdivisions (1)-(3).

20 (f) Not later than September 1, 2019, each state agency  
21 shall develop the systems and policies necessary to comply with  
22 this section. This subsection expires September 1, 2020.

23 SECTION 18. Section 2157.007, Government Code, is amended  
24 by adding Subsection (e) to read as follows:

25 (e) The department shall periodically review guidelines on  
26 state agency information that may be stored by a cloud computing or  
27 other storage service and the cloud computing or other storage

1 services available to state agencies for that storage to ensure  
2 that an agency purchasing a major information resources project  
3 under Section 2054.118 selects the most affordable, secure, and  
4 efficient cloud computing or other storage service available to the  
5 agency. The guidelines must include appropriate privacy and  
6 security standards that, at a minimum, require a vendor who offers  
7 cloud computing or other storage services or other software,  
8 applications, online services, or information technology solutions  
9 to any state agency to demonstrate that data provided by the state  
10 to the vendor will be maintained in compliance with all applicable  
11 state and federal laws and rules.

12 SECTION 19. Chapter 276, Election Code, is amended by  
13 adding Section 276.011 to read as follows:

14 Sec. 276.011. ELECTION CYBER ATTACK STUDY. (a) Not later  
15 than December 1, 2018, the secretary of state shall:

16 (1) conduct a study regarding cyber attacks on  
17 election infrastructure;

18 (2) prepare a public summary report on the study's  
19 findings that does not contain any information the release of which  
20 may compromise any election;

21 (3) prepare a confidential report on specific findings  
22 and vulnerabilities that is exempt from disclosure under Chapter  
23 552, Government Code; and

24 (4) submit a copy of the report required under  
25 Subdivision (2) and a general compilation of the report required  
26 under Subdivision (3) that does not contain any information the  
27 release of which may compromise any election to the standing

1 committees of the legislature with jurisdiction over election  
2 procedures.

3 (b) The study must include:

4 (1) an investigation of vulnerabilities and risks for  
5 a cyber attack against a county's voting system machines or the list  
6 of registered voters;

7 (2) information on any attempted cyber attack on a  
8 county's voting system machines or the list of registered voters;  
9 and

10 (3) recommendations for protecting a county's voting  
11 system machines and list of registered voters from a cyber attack.

12 (c) The secretary of state, using existing resources, may  
13 contract with a qualified vendor to conduct the study required by  
14 this section.

15 (d) This section expires January 1, 2019.

16 SECTION 20. (a) The lieutenant governor shall establish a  
17 Senate Select Committee on Cybersecurity and the speaker of the  
18 house of representatives shall establish a House Select Committee  
19 on Cybersecurity to, jointly or separately, study:

20 (1) cybersecurity in this state;

21 (2) the information security plans of each state  
22 agency; and

23 (3) the risks and vulnerabilities of state agency  
24 cybersecurity.

25 (b) Not later than November 30, 2017:

26 (1) the lieutenant governor shall appoint five  
27 senators to the Senate Select Committee on Cybersecurity, one of

1 whom shall be designated as chair; and

2 (2) the speaker of the house of representatives shall  
3 appoint five state representatives to the House Select Committee on  
4 Cybersecurity, one of whom shall be designated as chair.

5 (c) The committees established under this section shall  
6 convene separately at the call of the chair of the respective  
7 committees, or jointly at the call of both chairs. In joint  
8 meetings, the chairs of each committee shall act as joint chairs.

9 (d) Following consideration of the issues listed in  
10 Subsection (a) of this section, the committees established under  
11 this section shall jointly adopt recommendations on state  
12 cybersecurity and report in writing to the legislature any findings  
13 and adopted recommendations not later than January 13, 2019.

14 (e) This section expires September 1, 2019.

15 SECTION 21. (a) In this section, "state agency" means a  
16 board, commission, office, department, council, authority, or  
17 other agency in the executive or judicial branch of state  
18 government that is created by the constitution or a statute of this  
19 state. The term does not include a university system or institution  
20 of higher education as those terms are defined by Section 61.003,  
21 Education Code.

22 (b) The Department of Information Resources and the Texas  
23 State Library and Archives Commission shall conduct a study on  
24 state agency digital data storage and records management practices  
25 and the associated costs to this state.

26 (c) The study required under this section must examine:

27 (1) the current digital data storage practices of

1 state agencies in this state;

2 (2) the costs associated with those digital data  
3 storage practices;

4 (3) the digital records management and data  
5 classification policies of state agencies and whether the state  
6 agencies are consistently complying with the established policies;

7 (4) whether the state agencies are storing digital  
8 data that exceeds established retention requirements and the cost  
9 of that unnecessary storage;

10 (5) the adequacy of storage systems used by state  
11 agencies to securely maintain confidential digital records;

12 (6) possible solutions and improvements recommended  
13 by the state agencies for reducing state costs and increasing  
14 security for digital data storage and records management; and

15 (7) the security level and possible benefits of and  
16 the cost savings from using cloud computing services for agency  
17 data storage, data classification, and records management.

18 (d) Each state agency shall participate in the study  
19 required by this section and provide appropriate assistance and  
20 information to the Department of Information Resources and the  
21 Texas State Library and Archives Commission.

22 (e) Not later than December 1, 2018, the Department of  
23 Information Resources and the Texas State Library and Archives  
24 Commission shall issue a report on the study required under this  
25 section and recommendations for reducing state costs and for  
26 improving efficiency in digital data storage and records management  
27 to the lieutenant governor, the speaker of the house of



1 representatives, and the appropriate standing committees of the  
2 house of representatives and the senate.

3 (f) This section expires September 1, 2019.

4 SECTION 22. The changes in law made by this Act do not apply  
5 to the Electric Reliability Council of Texas.

6 SECTION 23. This Act takes effect September 1, 2017.